



Georgia Department of Revenue

Course V Cost Approach to Value

Grant M. Hilton

The statutory materials reprinted or quoted verbatim on the following pages are taken from the Official Code of Georgia Annotated, Copyright 2016 by the State of Georgia, and are reprinted with the permission of the State of Georgia. All rights reserved.

For Educational Purposes Only:

The material within is intended to give the course participant a solid understanding of general principles in the subject area. As such, the material may not necessarily reflect the official procedures and policies of the Georgia Department of Revenue or the Department's official interpretation of the laws of the State of Georgia. The application of applicability to specific situations of the theories, techniques, and approaches discussed herein must be determined on a case-by-case basis.



A GREAT STATE TO SERVE



Georgia Department of Revenue

Grant M. Hilton
Compliance Specialist, Spv
Georgia Department of Revenue
Local Government Services Division
4125 Welcome All Road, Suite 701
Atlanta, Georgia 30349
grant.hilton@dor.ga.gov
P: 404.724.7000 | F: 404.724.7011
Cell 404.304.0573

dor.georgia.gov



Georgia Department of Revenue

GREAB Continuing Education Credit

<ul style="list-style-type: none">•<u>40 Hrs:</u>•Course I•Course IA•Course II•Course IVA•Course IVB•Course V•Course VI•GAA	<ul style="list-style-type: none">•<u>20 Hrs:</u>•Exempt Properties•Specialized Assessments•Deed Research•APM Digest Review•Appeals Procedure•Advanced Income•Recert for Assessors•Review of Income
---	---

14 hours GREAB credit for these classes beginning March 1st, 2017.



Georgia Department of Revenue

No GREAB Continuing Education Credit will be given for the following:

WinGap Classes
Course III
Basic Accounting
Verification of Personal Property
Manufactured Housing



Georgia Department of Revenue

GREAB Continuing Education Credit

- Please have your GREAB Appraiser/Sales Person# available on the last day of class to enter on the class credit form.



Georgia Department of Revenue

GREAB Continuing Education Credit

<ul style="list-style-type: none">•<u>40 Hrs:</u>•Course I•Course IA•Course II•Course IVA•Course IVB•Course V•Course VI•GAA	<ul style="list-style-type: none"><u>20 Hrs:</u>Exempt PropertiesSpecialized AssessmentsDeed ResearchAPM Digest ReviewAppeals ProcedureAdvanced IncomeRecert for AssessorsReview of Income
---	--

14 hours GREAB credit for these classes beginning March 1st 2017



Georgia Department of Revenue

No GREAB Continuing Education Credit will be given for the following:

WinGap Classes

Course III

Basic Accounting

Verification of Personal Property

Manufactured Housing



Georgia Department of Revenue

GREAB Continuing Education Credit

- Please have your GREAB Appraiser/Sales Person# available on the last day of class to enter on the class credit form.



Georgia Department of Revenue

OVERVIEW OF COURSE V

- **Mass Appraisal Process (Ch. 1)**
- **Estimating Reproduction or Replacement Cost New (Ch. 2)**
- **Fundamentals - Slides of Various Houses**
- **Estimating Accrued Depreciation (Ch. 3)**
- **Site Valuation, Analysis and Adjustments (Ch. 4)**
- **Methods of Land Valuation (Ch. 5)**
- **Land Formulas, Tables, Rules And Valuing Odd Shaped Lots (Ch. 6)**



Georgia Department of Revenue

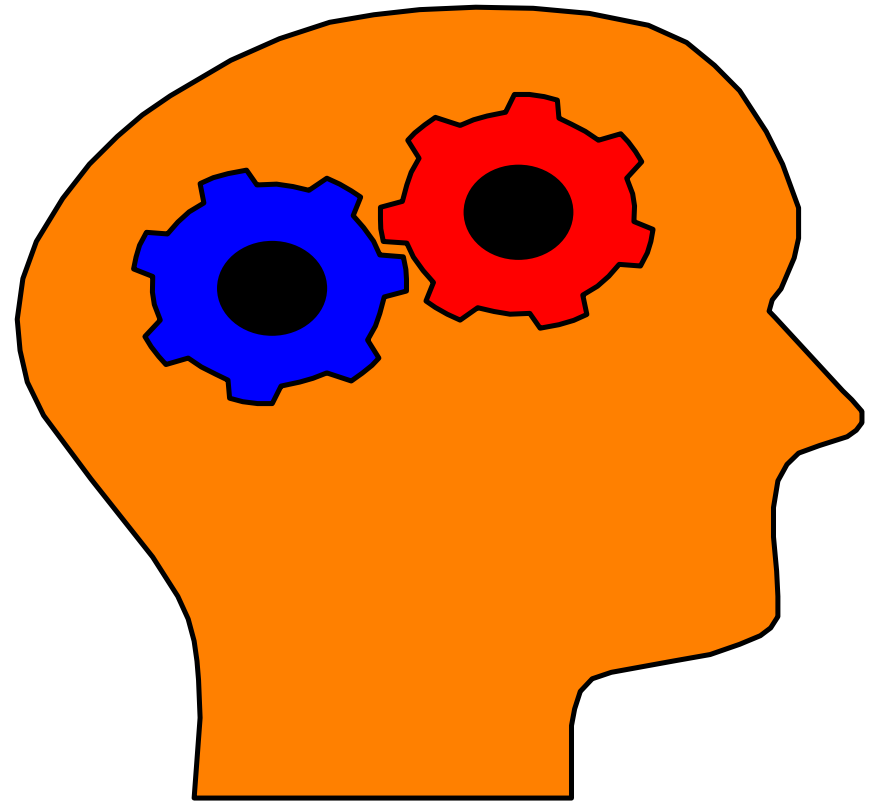
TEST CRITERIA

▪ CASE STUDIES 35%

- Houses/Commercials
- 14 Points
- Street – 10.50 Points
- Quality Grading
House Slides – 10.50
Points

▪ FINAL EXAM 65%

- Exam - 65 Points





Georgia Department of Revenue

TWO WAYS TO DO THINGS!

- THE RIGHT WAY!
- *The Easy, Most Uniform Way!*
- THE WRONG WAY!
- *That is just the way we have always done it!*



Georgia Department of Revenue

Chapter 1 - Real Estate Appraisal Terminology. What is an Appraisal?

- **An Estimate or Opinion of Value**
- **Types of Appraisals - (Pg. 10)**
 1. Fee - Usually for Estates, Financing, Condemnation
 - * Subject to review but not appeal.
 2. Mass - Always For Ad Valorem Tax Purposes
 - * Subject to appeal.



Georgia Department of Revenue



SENATE BILL 346

- Definitions in 48-5-2
- (.1) Arm's length, bona fide sale' means a transaction which has occurred in good faith without fraud or deceit carried out by unrelated or unaffiliated parties, as by a willing buyer and a willing seller, each acting in his or her own self-interest, including but not limited to a distress sale, short sale, bank sale, or sale at public auction.

Property characteristics and condition considerations still apply in selection of comparables



Georgia Department of Revenue

Definition of FMV HB196

- Amends 48-5-2 (3)
- **Title 48, Chapter 5, Section 2 (48-5-2)**
- "(3) 'Fair market value of property' means the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale. The income approach, if data are available, shall be considered in determining the fair market value of income-producing property. If actual income and expense data are voluntarily supplied by the property owner, such data shall be considered in such determination."



Georgia Department of Revenue



SENATE BILL 346

- Amends 48-5-2 (3)
- Notwithstanding any other provision of this chapter to the contrary, the transaction amount of the most recent arm's length, bona fide sale in any year shall be the maximum allowable fair market value for the next taxable year.



Georgia Department of Revenue

Sales Qualification Procedures

- 560-11-10-.02(1)(n). Most Recent Arm's Length Sale. As referenced in OCGA 48-5-2(3), transactions must occur prior to the statutory date of valuation to become eligible for the value limitations imposed in 48-5-2(3). Furthermore, where the exchange of property is defined as an arm's length transaction, the sum of the value of the exchanged real estate property components, land and improvements, in the year following the property exchange **shall not exceed the transaction's sale price adjusted for non-real estate values such as but not limited to, timber, personal property, etc.**



Georgia Department of Revenue

560-11-10.02 (continued)

- The adjustment to the value of the real estate shall remain in effect for at least the digest year following the transaction. With respect to changes in the exchanged real estate property components since the time of exchange (sale date), **the value of new improvements, value of additions to existing improvements (footprint of exchanged structure has been altered), major remodeling or renovations to existing structures (footprint of exchanged structure has not been altered), and adjustments to land due to consolidation of tracts, new surveys, zoning changes, land use changes, etc. shall be added to the sales price adjusted values.**



Georgia Department of Revenue

Renovations and Remodeling

- In the event an exchanged real estate property structure is renovated or remodeled, **the term major shall be construed such that both the property owner and BOA would reasonably conclude a major renovation/remodeling has occurred. If either party, acting reasonably, could debate** that the renovation/remodeling effort was not major in nature, the renovation/remodeling effort does not qualify and shall not be added to the sales price adjusted values. Any modifications made to the exchanged real estate property after the sale date that result in a lower value of the exchanged property shall be considered in the final valuation of property for the digest.



Georgia Department of Revenue

SALES QUALIFICATION REASONS

1. *Sales involving government agencies and public utilities;*
2. *Sales involving charitable, religious, or educational institutions*
3. *Sales in which a financial institution is the buyer and affiliated party.*
4. *Sales between relatives or corporate affiliates or any affiliated party;*
5. *Sales between adjacent property owners; (If sale is above or below MKT)*
6. *Sales of convenience;*
7. *Sales settling an estate;*
8. *Sales of doubtful title;*
9. *Sales involving trades;*
10. *Sales conveying partial interest or land contracts;*
11. *Sales conveying additional interests of property other than the real property;*
12. *Sales involving incomplete or unbuilt community property;*
13. *Sales involving multi-county property;*
14. *Sales forced by legal difficulties;*
15. *Sales using non-conventional financing;*
16. *Sales in which the consideration is not greater than \$1,000.*
17. **Short Sales - ALT**
18. **Sales of Government Resales after Foreclosure - ALT**
19. **Sales of Bank Resales after Foreclosure - ALT**
20. **Sales of Individual resales of previously foreclosed property - ALT.**
21. **Sales of Qualified Improved between unaffiliated parties - ALT.**
22. **Sales of Qualified Vacant between unaffiliated parties - ALT.**



Georgia Department of Revenue

Allocating Sales With IMP Renovation

ES Estate	
FC FORECLOSURE	
FM Fair Market Value	
FS Fire Sale	
GF Gift	
GV Government	
IM IMPROVED AFTER SALE	
IS Incomplete Structure	
KN Kin	
LA Land Sale With Accessory	
LB Land Market Bank Sale	

Code	IM	Am's Length Transaction <input checked="" type="checkbox"/>
Reason	IMPROVED AFTER SALE	



Georgia Department of Revenue

Property Value Prior to Renovation Procedures

PIN (1)	TEST- -001 -	Tax District	01 - Unincorporated
Alt PIN		Asmt Reason	Structure Characteristics Records Changed
Parent PIN		Web Url	

Street Information					
House #	Ext	Dir	Street Name	Type	Post
105			RAINEY DR	▼	
Units	U-Type	Latitude	Longitude	Zip Code	
				-	

Property Information							
LL	266	LD		GMD	13-S	Zoning	VCR
Legal : LOT 7 NIX PL PH II LL 266 LD 13-S							
Neighborhood		Lanier Area ▼					
Lendor			Total Acres	0.64			
Subdivision		NIX PLACE ▼					

Values	
Previous	114,504
Current	123,321
Return	0
Curr-MAV	0
Prev-MAV	0

123,321 FMV	
Land (1)	35,000
* Res Imp (1)	83,553
Com Imp	0
* Acc Imp (3)	4,768



Georgia Department of Revenue

Sales Data Entry Prior to Renovation Procedures

Sales Information			
Buyer	ABC Taxpayer		
Seller	XYZ Seller		
PT-61 #	PT-61 042-2019	0	Book Page
Sale Date	10/11/2018	Deed	999 99
RETT	0.00	Plat	99 9
Print Survey	<input checked="" type="checkbox"/> Survey Sent <input checked="" type="checkbox"/> Survey Received		
Sale Price	115,000	Net Saleprice	115000
Adjustment	0	Instrument	
State (Y/N)	N	Acres	0.00
FMV	0	Class	Residential
MAVVAL	0	Strat	Improved
Qualifier		RSN	IMPROVED AFTER SALE
Asmt Reason	Structure characteristics records changed		
Land Class / Strat : R3			
Comments			
Buyer says extensive interior renovation and remodeling completed 11/11/2018.			



Georgia Department of Revenue

Sale Allocated Prior to Renovation

01 - Unincorporated

Structure Characteristics Records Changed

Values

Previous	114,504	Edit	Sale
Current	115,000		
Return	0		
Curr-MAV	0		
Prev-MAV	0	Edit	Est Tax



Georgia Department of Revenue

Renovation Data Entry Completed Effective Age Changed

Grade / Age		Depr / Factors	
Grade	105	Functional	1.00
Year Built	1990	Economic	1.00
Eff Year Built	2012	Physical Ovr	0.00
Obsv Cond	Average	Complete	1.00
Neighborhood	1.00	Physical	0.95
		CD	1.00

Basement / Attic Option	
<input type="radio"/> Descriptive	<input checked="" type="radio"/> Square
Bsmt Desc	None
Bsmt Finish	None
Attic Desc	No Attic
Bsmt Area	0
Bsmt %	0.00
Attic Area	0
Attic %	0.00

Values	
Override	0
Improvement	99,219
Last Calc	99,219
MAV	
Ov Date	/ /
Ovr Rsn	



Georgia Department of Revenue

Right Click On Value Field by Green Box
Add Imp Vale Difference

123,321 FMV	
Land (1)	35,000
* Res Imp (1)	83,553
Com Imp	0
* Acc Imp (3)	4,768

Values	
Override	0
Improvement	99,219
Last Calc	99,219

State Homestead ☐

WinGAP - Edit SB346 Val...

Imp1 (Existing) 77,913

New/Additions 15,666

Cancel OK



Georgia Department of Revenue

Values	
Previous	114,504
Current	115,000

Edit Sale

Final Allocated Value for Renovation

Values	
Previous	114,504
Current	130,666
Return	0
Curr-MAV	0
Prev-MAV	0

EstTax

	138,987	FMV	MAV
Land (1)		35,000	0
* Res Imp (1)		99,219	0
Com Imp		0	0
* Acc Imp (3)		4,768	0



Georgia Department of Revenue

Allocating Sales With Multiple Parcels One Deed

LB	Land Market Bank Sale
LM	Land Market Sale
LS	Liquidation Sale
MB	Multi Vacant Bank Land Sale
MH	MOBILE HOME SALE
MI	MULTI-IMPROVEMENT
ML	Multi-lot improved after sale
MV	MULTI-VACANT SALE
NB	Neighbor
NF	Not Fair Market
NG	Not Fair Market (346)

Code	MV	Arm's Length Transaction <input checked="" type="checkbox"/>
Reason	MULTI-VACANT SALE	



Georgia Department of Revenue

Property Value Multiple Parcel Sale

PIN (2)	TEST- -002 -	Tax District	01 - Unincorporated
Alt PIN		Asmt Reason	Multiple Parcels Purchased
Parent PIN		Web Url	

Street Information					
House #	Ext	Dir	Street Name	Type	Post
105			RAINEY DR		
Units	U-Type	Latitude	Longitude	Zip Code	

Property Information							
LL	266	LD		GMD	13-S	Zoning	VCR
Legal :		LOT 7 NIX PL PH II LL 266 LD 13-S					
Neighborhood		Lanier Area					
Lendor				Total Acres	0.64		
Subdivision		NIX PLACE					

Values		
Previous	35,000	Ed
Current	35,000	
Return	0	
Curr-MAV	0	
Prev-MAV	0	Ed

	35,000	FMV
Land (1)	35,000	
Res Imp	0	
Com Imp	0	
Acc Imp	0	



Georgia Department of Revenue

Final Allocated Value Multiple Parcel Sale

Sales Information

Buyer	Test Taxpayer		Sale Price	60,000	Net Saleprice	30000
Seller	XYZ Seller		Adjustment	30000	Instrument	
PT-61 #	PT-61 042-2019	0	State (Y/N)	N	Acres	0.00
Sale Date	10/11/2018	Deed	FMV	0	Class	Residential
RETT	0.00	Plat	MAVVAL	0	Strat	Lot
Print Survey	<input checked="" type="checkbox"/> Survey Sent		Qualifier		RSN	MULTI-VACANT SALE
	<input checked="" type="checkbox"/> Survey Received		<input checked="" type="checkbox"/> Digest Value (SB346)		Land Class / Strat: R3	
			Asmt Reason	Accessory Improvement deleted.		

Comments

Multiple Parcel Vacant Sale (2 Parcels-TEST 001 Value \$35,000 & TEST 002 Value \$35,000).

Repeat Steps on additional parcel(s).



Georgia Department of Revenue

Final Allocated Value for Multiple Parcel

Values		
Previous	35,000	Edit
Current	30,000	Sale
Return	0	
Curr-MAV	0	
Prev-MAV	0	
		Edit
		Est Tax

	35,000	FMV	MAV
Land (1)	35,000		0
Res Imp	0		0
Com Imp	0		0
Acc Imp	0		0



Georgia Department of Revenue

Allocating Multiparcel Sales

- Buyer purchased 3 parcels 200 acres, 100 acres, 50 acres on 11/11/2018 for 1,800,000. Allocation as follows:
- Total FMV of all 3 parcels 2,100,000
 - FMV Tract 1; $1,200,000 / 2,100,000 = .57$ allocation.
 - FMV Tract 2; $600,000 / 2,100,000 = .29$ allocation.
 - FMV Tract 3; $300,000 / 2,100,000 = .14$ allocation.



Georgia Department of Revenue

Allocating Multiparcel Sales

- 1,800,000 SP Allocation as follows:
- Tract 1 net_sp ($1,800,000 \times .57 = 1,026,000$ SB346)
 - Total SP $1,800,000 - 1,026,000 = 774,00$ Adjustment
- Tract 2 net_sp ($1,800,000 \times .29 = 522,000$ SB346)
 - Total SP $1,800,000 - 522,000 = 1,278,000$ Adjustment.
- Tract 3 net_sp ($1,800,000 \times .14 = 252,000$ SB346)
 - Total SP $1,800,000 - 252,000 = 1,548,000$ Adjustment.



Georgia Department of Revenue

WinGAP - Reasons - [User ID = gmhilton] Dawson2017 - [User ID = gmhil... ? X

LS Liquidation Sale
MB Multi Vacant Bank Land Sale
MH MOBILE HOME SALE
MI MULTI-IMPROVEMENT
ML Multi-lot improved after sale
MV MULTI-VACANT SALE
NB Neighbor
NF Not Fair Market
NG Not Fair Market (346)
PC Property Condemned
PT Part

Code

MV

Reason

MULTI-VACANT SALE

Am's Length
Transaction





Georgia Department of Revenue

PIN (3)	TEST- -004 -	Tax District	01 - Unincorporated
Alt PIN		Asmt Reason	New Property (Real Parcel) Added.
Parent PIN		Web Url	

Street Information						
House #	Ext	Dir	Street Name	Type	Post	
0						
Units	U-Type	Latitude	Longitude	Zip Code		

Property Information							
LL	266	LD		GMD	13-S	Zoning	VCR
Legal :	Ga Hwy 400 200 acres						
Neighborhood	Lanier Area						
Lendor		Total Acres	200.00				
Subdivision	NIX PLACE						

Values		
Previous	1,200,000	Edit
Current	1,026,000	
Return	0	
Curr-MAV	0	
Prev-MAV	0	Edit

	1,200,000	FMV	MAV
Land (1)		1,200,000	0
Res Imp		0	0
Com Imp		0	0
Acc Imp		0	0

Sale	
Est Tax	



Georgia Department of Revenue

PIN (3)	TEST- -004 -	Tax District	01 - Unincorporated
Alt PIN		Asmt Reason	New Property (Real Parcel) Added.
Parent PIN		Web Url	

Street Information					
House #	Ext	Dir	Street Name	Type	Post
0					
Units	U-Type	Latitude	Longitude	Zip Code	
				-	

Property Information						
LL	266	LD	GMD	13-S	Zoning	VCR
Legal :	Ga Hwy 400 200 acres					
Neighborhood	Lanier Area					
Lendor		Total Acres	200.00			
Subdivision	NIX PLACE					

Values		
Previous	1,200,000	Edit
Current	1,026,000	
Return	0	
Curr-MAV	0	
Prev-MAV	0	Edit

	1,200,000	FMV	MAV
Land (1)	1,200,000		0
Res Imp	0		0
Com Imp	0		0
Acc Imp	0		0

Sale **Est Tax**



Georgia Department of Revenue

WinGAP - Sales Information - [User ID = gmhilton] - TEST 004 - [User ID = gmhilton] Dawson2017 - [Us... ? X

Owner Parcel # Key

Grantee	Grantor	Date	Deedpage	Rsn	Saleprice	Cs
ABC Taxpayer	XYZ Seller	10/11/2018	999- 99	MV	1800000	R.

< >

Sales Information

Buyer	ABC Taxpayer		Sale Price	1,800,000	Net Saleprice	1026000
Seller	XYZ Seller		Adjustment	774,000	Instrument	<input type="text"/>
PT-61 #	PT-61 042-2019	0	State (Y/N)	N	Acres	0.00
Sale Date	10/11/2018	Deed	FMV	0	Class	Residential
RETT	0.00	Plat	MAVVAL	0	Strat	Improved
<input type="button" value="Print Survey"/> <input checked="" type="checkbox"/> Survey Sent			Qualifier		RSN	MULTI-VACANT SALE
<input checked="" type="checkbox"/> Survey Received			<input checked="" type="checkbox"/> Digest Value (SB346)		Land Class / Strat : A3	
			Asmt Reason	New Property (real parcel) added.		

Comments

Buyer purchased 3 parcels 200 acres, 100 acres, 50 acres on 11/11/2018 for 1,800,000. This parcel net_sp = 1,800,000 x .57 = 1,026,000. Total SP 1,800,000 - 1,026,000 = 774,000 saleadj.
Allocation as follows: Total value of all 3 parcels 2,100,000 / 1,200,000 tract1 = .57 allocation. 2,100,000 / 600,000 tract2 = .29 allocation.



Georgia Department of Revenue

PIN (3)	TEST- -005 -	Tax District	01 - Unincorporated
Alt PIN		Asmt Reason	New Property (Real Parcel) Added.
Parent PIN		Web Url	

Street Information					
House #	Ext	Dir	Street Name	Type	Post
0					
Units	U-Type	Latitude	Longitude	Zip Code	

Property Information							
LL	266	LD		GMD	13-S	Zoning	VCR
Legal :	Ga Hwy 400 100 acres						
Neighborhood	Lanier Area						
Lendor		Total Acres	100.00				
Subdivision	NIX PLACE						

Values		
Previous	600,000	Edit
Current	522,000	
Return	0	
Curr-MAV	0	
Prev-MAV	0	Edit

	600,000	FMV	MAV
Land (1)	600,000		0
Res Imp	0		0
Com Imp	0		0
Acc Imp	0		0

Sale

EstTax



Georgia Department of Revenue

WinGAP - Sales Information - [User ID = gmhilton] - TEST 005 - [User ID = gmhilton] Dawson2017 - [Us... ? X

Owner **TESTTaxpayer3** Parcel # **TEST- -005 -** Key **300001223** [Load Image](#)

Grantee	Grantor	Date	Deedpage	Rsn	Saleprice	Cs
ABC Taxpayer	XYZ Seller	10/11/2018	999- 99	IM	1800000	R.

Sales Information

Buyer	ABC Taxpayer		Sale Price	1,800,000	Net Saleprice	522000
Seller	XYZ Seller		Adjustment	1,278,000	Instrument	
PT-61 #	PT-61 042-2019	0	State (Y/N)	N	Acres	0.00
Sale Date	10/11/2018	Deed	FMV	0	Class	Residential
RETT	0.00	Plat	MAVVAL	0	Strat	Improved
<input type="checkbox"/> Print Survey		<input checked="" type="checkbox"/> Survey Sent	Qualifier		RSN	IMPROVED AFTER SALE
		<input checked="" type="checkbox"/> Survey Received	<input checked="" type="checkbox"/> Digest Value (SB346)		Land Class / Strat : R3	
			Asmt Reason	New Property (real parcel) added.		

Comments

Buyer purchased 3 parcels 200 acres, 100 acres, 50 acres on 11/11/2018 for 1,800,000. This parcel net_sp = 1,800,000 x .29 = 522,000. Total SP1,800,000-522,000=1,278,000 saleadj.
Allocation as follows: Total value of all 3 parcels 2,100,000/1,200,000 tract 1= .57 allocation. 2,100,000/600,000 tract2= .29 allocation.



Georgia Department of Revenue

PIN (3)	TEST- -006 -	Tax District	01 - Unincorporated	
Alt PIN		Asmt Reason	New Property (Real Parcel) Added.	
Parent PIN		Web Url		

Street Information					
House #	Ext	Dir	Street Name	Type	Post
0					
Units	U-Type	Latitude	Longitude	Zip Code	

Property Information							
LL	266	LD		GMD	13-S	Zoning	VCR
Legal :	Ga Hwy 400 50 acres						
Neighborhood	Lanier Area						
Lendor		Total Acres	50.00				
Subdivision	NIX PLACE						

Values		
Previous	300,000	Edit
Current	252,000	
Return	0	
Curr-MAV	0	
Prev-MAV	0	Edit

	300,000	FMV	MAV
Land (1)	300,000	0	0
Res Imp	0	0	0
Com Imp	0	0	0
Acc Imp	0	0	0



Georgia Department of Revenue

WinGAP - Real Property General Information - TESTTaxpayer3 : TEST 006 - [User ID = gmhilton] ? X

<< Top < Prev Next > End >> Account Number 4145917 Duplicate ☒ Notice ☐ Recheck Flag ☐ Field Check
PIN (3) TEST- -006 - Tax District 01 - Unincorporated ☐ Returned Mail

WinGAP - Sales Information - [User ID = gmhilton] - TEST 006 - [User ID = gmhilton] Dawson2017 - [Us... ? X

Owner TESTTaxpayer3 Parcel # TEST- -006 - Key 300001224 Load Image

Grantee	Grantor	Date	Deedpage	Rsn	Saleprice	Cs
ABC Taxpayer	XYZ Seller	10/11/2018	999- 99	IM	1800000	R.

< >

Sales Information

Buyer	ABC Taxpayer		Sale Price	1,800,000	Net Saleprice	252000
Seller	XYZ Seller		Adjustment	1,548,000	Instrument	
PT-61 #	PT-61 042-2019	0	State (Y/N)	N	Acres	0.00
Sale Date	10/11/2018	Deed	FMV	0	Class	Residential
RETT	0.00	Plat	MAVVAL	0	Strat	Improved
<input type="checkbox"/> Print Survey		<input checked="" type="checkbox"/> Survey Sent	Qualifier		RSN	IMPROVED AFTER SALE
		<input checked="" type="checkbox"/> Survey Received	<input checked="" type="checkbox"/> Digest Value (SB346)		Land Class / Strat : R3	
			Asmt Reason	New Property (real parcel) added.		

Comments

Buyer purchased 3 parcels 200 acres, 100 acres, 50 acres on 11/11/2018 for 1,800,000. This parcel net_sp 1,800,000 x .14= 252,000. Total SP 1,800,000-252,000=1,548,000 saleadj.
Allocation as follows: Total value of all 3 parcels 2,100,000/1,200,000 tract1= .57 allocation. 2,100,000/600,000 tract2= .29 allocation.



Georgia Department of Revenue

Criteria BOA Must Apply for FMV

- 48-5-2 (3) (B) The tax assessor shall apply the following criteria in determining the fair market value of real property:
 - i. Existing zoning of property;
 - ii. Existing use of property, including any restrictions or limitations on the use of property resulting from state or federal law or rules or regulations adopted pursuant to the authority of state or federal law;
 - iii. Existing covenants or restrictions in deed dedicating the property to a particular use;
 - iv. Bank sales, other financial institution owned sales or distressed sales, or any combination thereof of comparable real property.
 - i. *Most local lending institutions may show consideration on the deed or PT61.*
 - ii. *Most federal institutions may not show consideration on deed or PT61.*



Georgia Department of Revenue

Criteria BOA Must Apply for FMV

- v. Decreased value of the property based on limitations and restrictions resulting from the property being in a conservation easement.
- (vi) Rent limitations, higher operating costs resulting from regulatory requirements imposed on the property, and any other restrictions imposed upon the property in connection with the property being eligible for any income tax credits with respect to real property which are claimed and granted pursuant to either Section 42 of the Internal Revenue Code of 1986, as amended, or Chapter 7 of this title or receiving any other state or federal subsidies provided with respect to the use of the property as residential rental property; provided, however, that properties described in this division shall not be considered comparable real property for the assessment or appeal of assessment of properties not covered by this division;



Georgia Department of Revenue

Criteria BOA Must Apply for FMV

- (vii) (I) In establishing the value of any property subject to rent restrictions under the sales comparison approach, any income tax credits described in division (vi) of this subparagraph that are attributable to a property may be considered in determining the fair market value of the property, provided that the tax assessor uses comparable sales of property which, at the time of the comparable sale, had unused income tax credits that were transferred in an arm's length, bona fide sale.



Georgia Department of Revenue

Criteria BOA Must Apply for FMV

- (II) In establishing the value of any property subject to rent restrictions under the income approach, any income tax credits described in division (vi) of this subparagraph that are attributable to property may be considered in determining the fair market value of the property, provided that such income tax credits generate actual income to the record holder of title to the property; and



Georgia Department of Revenue

Criteria BOA Must Apply for FMV

- (viii) Any other existing factors provided by law or by rule and regulation of the commissioner deemed pertinent in arriving at fair market value.
- (B.1) The tax assessor shall not consider any income tax credits with respect to real property which are claimed and granted pursuant to either Section 42 of the Internal Revenue Code of 1986, as amended, or Chapter 7 of this title in determining the fair market value of real property.



Georgia Department of Revenue

Criteria BOA Must Apply for FMV

- (B.2) In determining the fair market value of real property, the tax assessor shall not include the value of any intangible assets used by a business, wherever located, including patents, trademarks, trade names, customer agreements, and merchandising agreements.



Georgia Department of Revenue

Foreclosure Defined

- A foreclosure is a complex legal process, not a sale. *Black's Law Dictionary* (2001) defines foreclosure as:
 - *A legal proceeding to terminate a mortgagor's interest in property, instituted by the lender (the mortgagee) either to gain title or to force a sale in order to satisfy the unpaid debt secured by the property.*



Georgia Department of Revenue

Foreclosure

- **Deed in Lieu of Foreclosure**
 - "Soft sale,"
 - Mortgagee and the mortgagor have agreed that "in lieu" of being foreclosed upon the seller executes warranty deed to lender.
 - Total purchase price is the amount of the loan in default, plus associated fees.
 - Lender does not incur the costs and time incurred in the foreclosure process.
 - Sale is not exposed to open market
 - Affiliated party and not arms length.



Georgia Department of Revenue

Distressed Sale

- **Short Sale**

- A pre-foreclosure sale
- Bank or mortgage lender (middle man) discounts loan balance due to economic or financial hardship on the part of the mortgagor
- Sale negotiated between 2 parties in which a lender takes less than the total amount due.
- Arm's length transaction as defined by 48-5-2 (.1)



Georgia Department of Revenue

Distressed Sale

- **Government Sale**

- Arm's length transaction as defined by 48-5-2 .1 when documentation is available to validate the consideration and parties are unrelated or unaffiliated.
- In the Court of Appeals of Georgia
- A14A2268. CPF INVESTMENTS, LLLP v. FULTON COUNTY BOARD OF ASSESSORS.



Georgia Department of Revenue

Distressed Sale

- **Sale At Public Auction**

- Arm's length transaction as defined by 48-5-2 .1 when parties are unrelated or unaffiliated.



Georgia Department of Revenue

Bank Sale

- **Real Estate Owned (REO or Previously Foreclosed Property)**
 - Resale of property formerly owned or previously foreclosed on by a financial institution (the seller is the financial institution).
 - Arm's length transaction as defined by 48-5-2 .1 so long as parties are unrelated or unaffiliated.



Georgia Department of Revenue

Tax Sale

- Sale of property by Tax Commissioner
- Non-Arm's length transaction, since title does not transfer for 1 year as defined by 48-5-2 .1



Georgia Department of Revenue

Analyzing Foreclosure Activity in the Market

- *XYZ County evidence example*
 1. *Modify sales qualification code table to delineate between foreclosures and foreclosure resales.*
 2. *Create Spreadsheet of Q Arms Length Transactions only by neighborhood.*
 3. *Analyze to see if land or structure tables need to be adjusted.*
 4. *Create Spreadsheet of FC sales (FC) only by neighborhood. (Appraisers physically review property)*
 5. *Create Spreadsheet FC re-sales (FR) by the lender or individual owner by neighborhood. (Appraisers physically review property)*
 6. *Create Master spreadsheet delineating out the number of Q, FC, and FR sales.*
 7. *Analyze all sales by neighborhood and determine if FR have effect on market.*
 8. *Adjust land and structure tables accordingly.*
 9. *Create ratio reports by class, (R,A,C,I, Overall, Neighborhood or Map) to include Arms Length and Foreclosure Re-sales.*



Aggregate Assessment-To-Sales Ratio Calculation *Use Yellow Highlighted Columns for Data Entry*****

- To decrease a neighborhood;
Subtract what ever percentage you are over 1.00 to get a factor adjustment to be applied to the current neighborhood adjustment
- To increase a neighborhood; Add what ever percentage you need to get to 1.00 plus 1 to get a factor adjustment to be applied to the current neighborhood adjustment

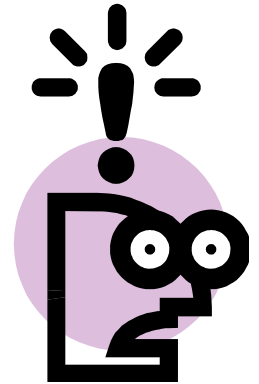




Georgia Department of Revenue

MISCONCEPTION - Appraisal Procedure Manual

- 560-11-10-.09(2)(d)(4.)(iii)
- **Field review frequency. (Not Revaluation frequency)**
- All real property parcels should be physically reviewed at least once every **THREE YEARS** to ascertain that property information records are current.





Georgia Department of Revenue

HOUSE BILL 304



- Amends 48-5-264.1:
- The chief appraiser, other members of the county board of tax assessors may go upon property outside of buildings, posted or otherwise in order to carry out the duty of making appraisals of the fair market value of taxable property in the county, other than property directly returned to the commissioner; provided, however, the person representing the board shall carry identification which is sufficiently prominent to permit the occupant to readily ascertain he is such representative and if practicable shall first advise the occupant of his purpose.



Georgia Department of Revenue

HOUSE BILL 304



- Amends 48-5-264.1:
 - Chief appraiser, county appraisal staff, authorized agents of county BTA and members of BTA may go upon property outside buildings.
 - Shall carry identification.
 - Shall advise occupant if practicable.
 - ***Shall not enter upon property unless reasonable notice has been provided to the owner/occupant.***



Georgia Department of Revenue

House Bill 304



- Insert in Water Bill
- Publish on website (change dates and areas periodically)
 - Upload a spreadsheet of parcel numbers and street addresses of the parcels to be reviewed each quarter.
- Publish in newspaper
- Ask Building Permit Office to Add statement to Building Permit
- Add statement to Sales Questionnaires
- Put Sign in Area (i.e. subdivision, road/street, etc.
- Use Government Cable Channel
- Tax Commissioner shall include statement on tax bill and on official website regarding taxpayer's right to file return.



Georgia Department of Revenue

HOUSE BILL 304

- Reasonable Notice
 - Provide notice to taxpayer when:
 - filing return
 - filing appeal
 - Prepare a notice for building permit department to give taxpayer at time building permit is issued
 - Follow DOT guidelines (Very Detailed)



Georgia Department of Revenue

HOUSE BILL 304

- Tax Commissioner shall include statement on tax bill and on official website regarding taxpayer's right to file return.



Georgia Department of Revenue

Review of County Tax Digest By The State Revenue

Commissioner 560-11-2-.56

- County boards of assessors are required by the State Constitution and state law to continuously maintain assessments of property that are reasonably uniform and that are based on fair market value as defined in O.C.G.A. 48-5-2 (except as otherwise stated in O.C.G.A. 48-5-6- and O.C.G.A. 48-5-7 (c.3)). The Department is required by law to periodically review the county digests to determine if the digests are in compliance with such laws.
- This Regulation imposes no additional requirements on the county boards of tax assessors. It merely sets forth the statistical and other methods that are used by the department in making its determination. The Department does not determine when to revalue property. Each county board of tax assessors determines for itself when it believes a revaluation of property is necessary for legal compliance. Failure to revalue property shall not in and of itself be a basis for assessment of penalty.
- Moratorium 2009, 2010, 2011. For 2012 Digest, \$5 per parcel penalty and State mill recovery are back in play. (No longer in 2016)





Georgia Department of Revenue

3 APPROACHES TO VALUE

1. MARKET - Based on the principle of SUBSTITUTION; most important of all evaluation principles.

■ Basic Steps :

- 1. Gathering of recent sales data
- 2. Comparing sales to subject
- 3. Verifying sales (Qualification)
- 4. Adjusting sales (Timber, Time, Personal Prop.)
- 5. Estimating value



Georgia Department of Revenue

3 APPROACHES TO VALUE

1. COST- RCN normally sets the upper limits of value.

- Value is decreased through 3 forms of DEPRECIATION.
 - a. Physical Deterioration
 - Wear and Tear
 - Inadequate repair or maintenance



Georgia Department of Revenue

b. FUNCTIONAL OBSOLESCENCE

- Design deficiency
 - Inadequacy
 - Superadequacy



Georgia Department of Revenue

- c. ECONOMIC OBSOLESCENCE-Occurs due to forces external to the property
- Encroaching commercial properties
 - Environmental or pollution (LUST)



Georgia Department of Revenue

3 APPROACHES TO VALUE

- 1. Market – Most Computer Assisted Mass Appraisal Systems adjust internal cost tables by changing neighborhood factors or point/base costs to reflect the market when sales ratio analysis indicates a need.**



Georgia Department of Revenue

3 APPROACHES TO VALUE

3. INCOME- Capitalizes net income into value.

- **48-5-2 (3)** The income approach, if data are available, shall be considered in determining the fair market value of income-producing property. If actual income and expense data are voluntarily supplied by the property owner, such data shall be considered in such determination. Notwithstanding any other provision of this chapter to the contrary, the transaction amount of the most recent arm's length, bona fide sale in any year shall be the maximum allowable fair market value for the next taxable year.

Used for income producing properties

- Single Family Residential Rentals
- GRM-Gross Rent Multiplier
- Saleprice / Gross Monthly income
- method of measuring accrued depreciation



Georgia Department of Revenue

3 APPROACHES TO VALUE

All other income producing properties:

- Apartment complexes
- Office buildings
- Shopping centers etc.
- GIM-Gross Income Multiplier
 - Saleprice/Gross Yearly income
 - method of measuring accrued depreciation



Georgia Department of Revenue

Shall Consider all three Approaches to Value (Market, Cost, Utilize Income)

SUBJECT

MARKET -- 10 SALES = 92,500

COST -- RES 15 YRS OLD = 87,300

INCOME -- 1 RENTAL = 85,000

WHICH APPROACH GIVES BETTER VALUE?



Georgia Department of Revenue

Chapter 2 - Reproduction or Replacement Cost New

- **Reproduction Cost** - The cost of creating an **“Exact Replica or identical structure”** based on **current prices for labor and materials** as similar to the original as possible. May be used to measure functional obsolescence.
- **Replacement Cost** - The cost of creating an improvement having the same or equivalent utility as another using modern standards of materials and current prices for labor. Replacement cost new is usually less than Reproduction cost new due to the obsolete design of the reproduction. (Cures Functional Obsolescence)



Georgia Department of Revenue

Types of Costs

- *Property Appraisal and Assessment Administration*, International Association of Assessing Officers, 1990, Chicago,
- **Costs consist of all expenditures necessary to complete construction and place in the hands of the buyer.**



Georgia Department of Revenue

Direct Costs

- **Materials**
- **Labor**
- **Supervision**
- **Equipment rentals**
- **Utilities**



Georgia Department of Revenue

Indirect Costs-off site

a. Professional services

- i. Architect's fees
- ii. Engineer's fees
- iii. Surveyor's fees
- iv. Legal fees and expenses
- v. Appraisal fees

- b. Developer's overhead
- c. Building Permits and Licenses
- d. Insurance Premiums
- e. Interest
- f. Taxes (incurred during construction)
- g. Selling Expenses
- h. Carrying costs from completion of sale to occupancy,
- i. Contractor's or subcontractor's overhead and profit (sometimes shown as a % of direct costs.)



Georgia Department of Revenue

Direct Costs and Indirect Costs

- **When building cost tables in a CAMA system, the appraiser should be sure all costs are accounted for.**
- **Sources may include surveying owners of new construction or contractors or developers of benchmark properties.**



Georgia Department of Revenue

4 Methods of Cost Estimating

1. **QUANTITY SURVEY METHOD** - The most “detailed and most precise method of cost estimating. (Used by contractors not Mass appraisers) Detailed inventory of materials and equipment used to build the improvement
2. **UNIT-IN-PLACE METHOD** - Breaks the cost down into components of work done by subcontractors using workable units such as square foot, linear foot or other units.
3. **SQUARE FOOT/CUBIC FOOT METHOD/POINT COST** – (Total Gross Living Area) Must be careful to compare houses of similar type of construction. (Better to break it down to its parts, living area, plumbing, garages, porches, heating, etc. (Most CAMA Systems)
4. **FACTORED HISTORICAL COST METHOD**- Applies an index or trend factor to a previous value from an appropriate construction cost index

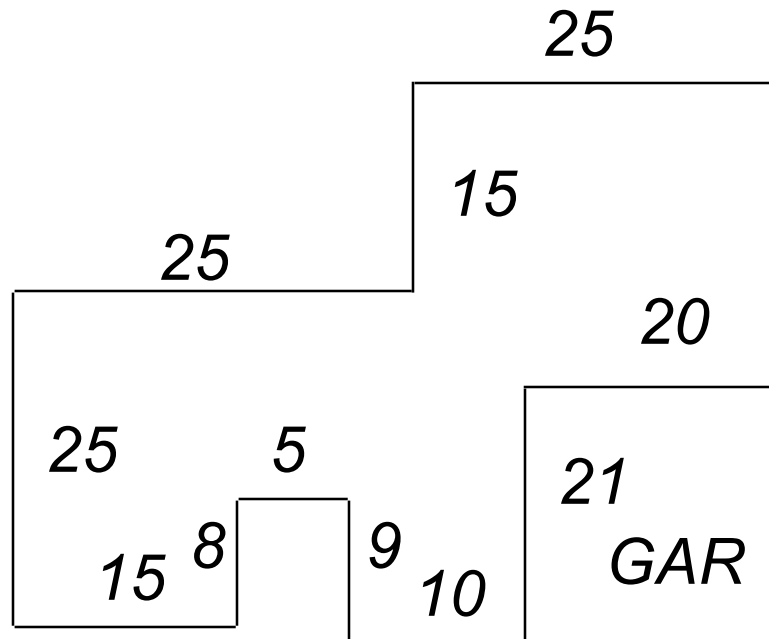


	Label	Descrip	Sqft	Costfact	Areafact	Labeltype	Bldgtype
	Utm	Utility	0.000010	1.0000	1.0000	Appendage	Mobile
	Wdm	Wood Deck	0.000010	1.0000	1.0000	Appendage	Mobile
	1Stm	1.0 Story	0.000000	1.0000	1.0000	Primary	Mobile
	2Stm	2.0 Story	0.000000	1.0000	1.0000	Primary	Mobile
	ADDr	Addition	45.000000	1.0000	1.0000	Addition	Residential
	AUFr	Attic Unfinished	4.110000	1.0000	1.0000	Appendage	Residential
	BUFr	Basement Ufinished	14.000000	1.0000	1.0000	Appendage	Residential
	CARr	Carport	13.000000	1.0000	1.0000	Appendage	Residential
	DKr	Wood Deck	15.500000	1.0000	1.0000	Appendage	Residential
	EPr	Enclosed Porch	53.110000	1.0000	1.0000	Appendage	Residential
	GARr	Garage	24.910000	1.0000	1.0000	Appendage	Residential
	OPr	Open Porch	24.630000	1.0000	1.0000	Appendage	Residential
	PATr	Patio	4.920000	1.0000	1.0000	Appendage	Residential
	UTRr	Utility Room	35.000000	1.0000	1.0000	Appendage	Residential
	BFNr	Basement Finished	33.580000	1.0000	1.0000	Interior	Residential
	1.0C	1.0 Story Cathedral	0.000000	1.2500	1.0000	Primary	Residential
	1.5s	1.5 Story	0.000000	1.6000	1.5000	Primary	Residential
▶	1STr	1 Story	0.000000	1.0000	1.0000	Primary	Residential
	2.0L	2.0 Story w/Loft	0.000000	1.4000	1.0000	Primary	Residential
	2.5s	2.5 Story	0.000000	2.3000	2.5000	Primary	Residential
	2STr	2 Story	0.000000	1.9000	2.0000	Primary	Residential
	3STr	3 Story	0.000000	2.5000	3.0000	Primary	Residential
	2nd	Upper Floor Area	0.000000	1.0000	1.0000	Upper	Residential
	AFNr	Attic Finished	17.150000	1.0000	1.0000	Upper	Residential
	LFT	Loft Upper Floor	0.000000	0.4500	1.0000	Upper	Residential



Georgia Department of Revenue

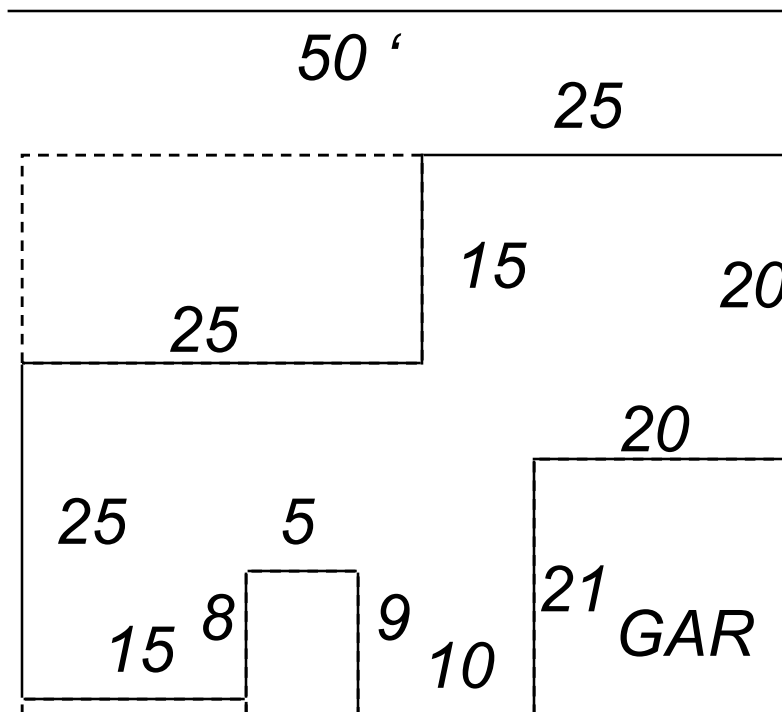
Calculating Sq. Feet of House





Georgia Department of Revenue

Calculating Sq. Feet of House



$$50 \times 41 = 2050$$

$$20 \times 21 = - 420$$

$$15 \times 25 = - 375$$

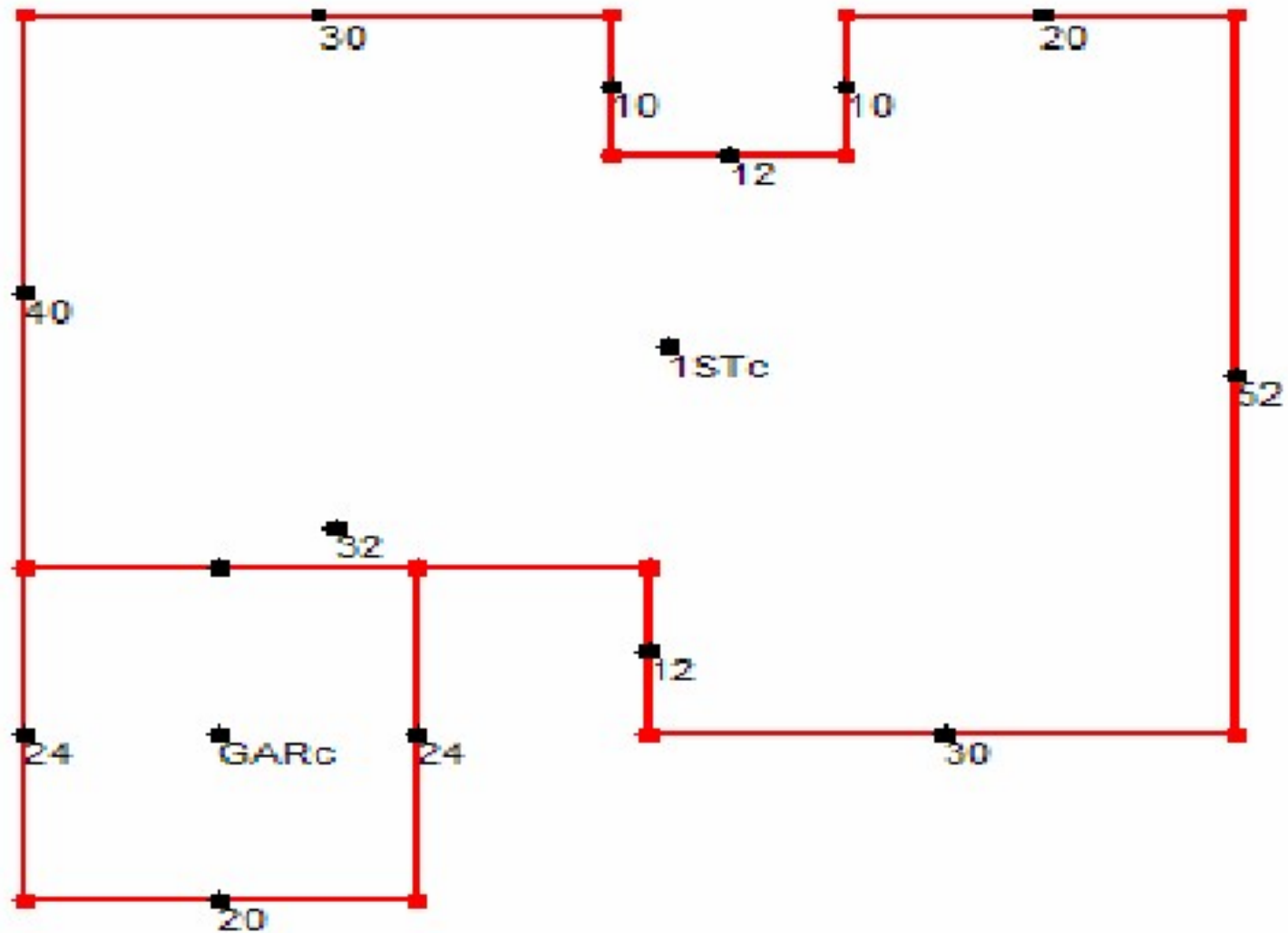
$$9 \times 5 = - 45$$

$$1 \times 15 = - 15$$

1195 HA
420 GAR

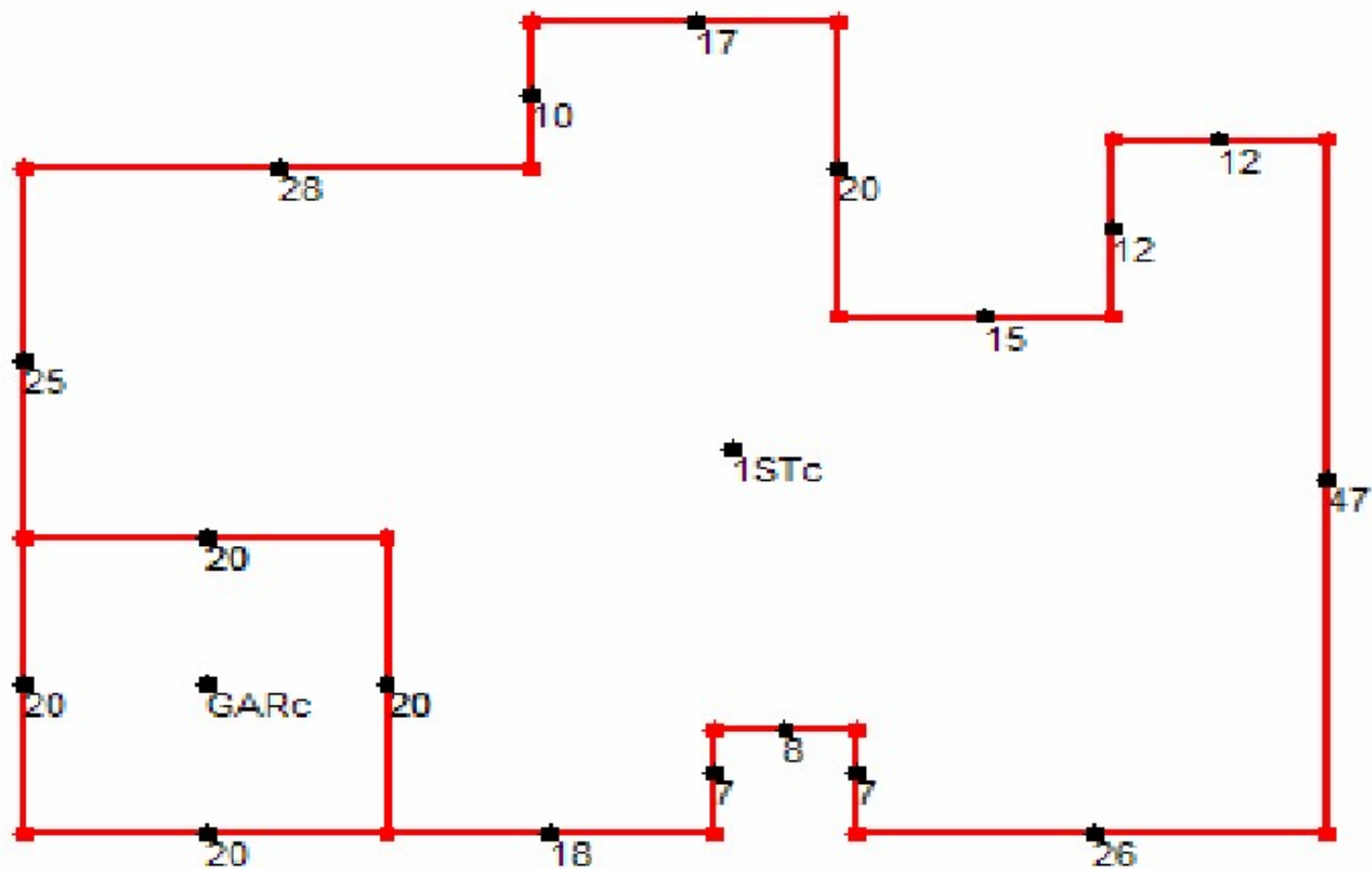


Georgia Department of Revenue



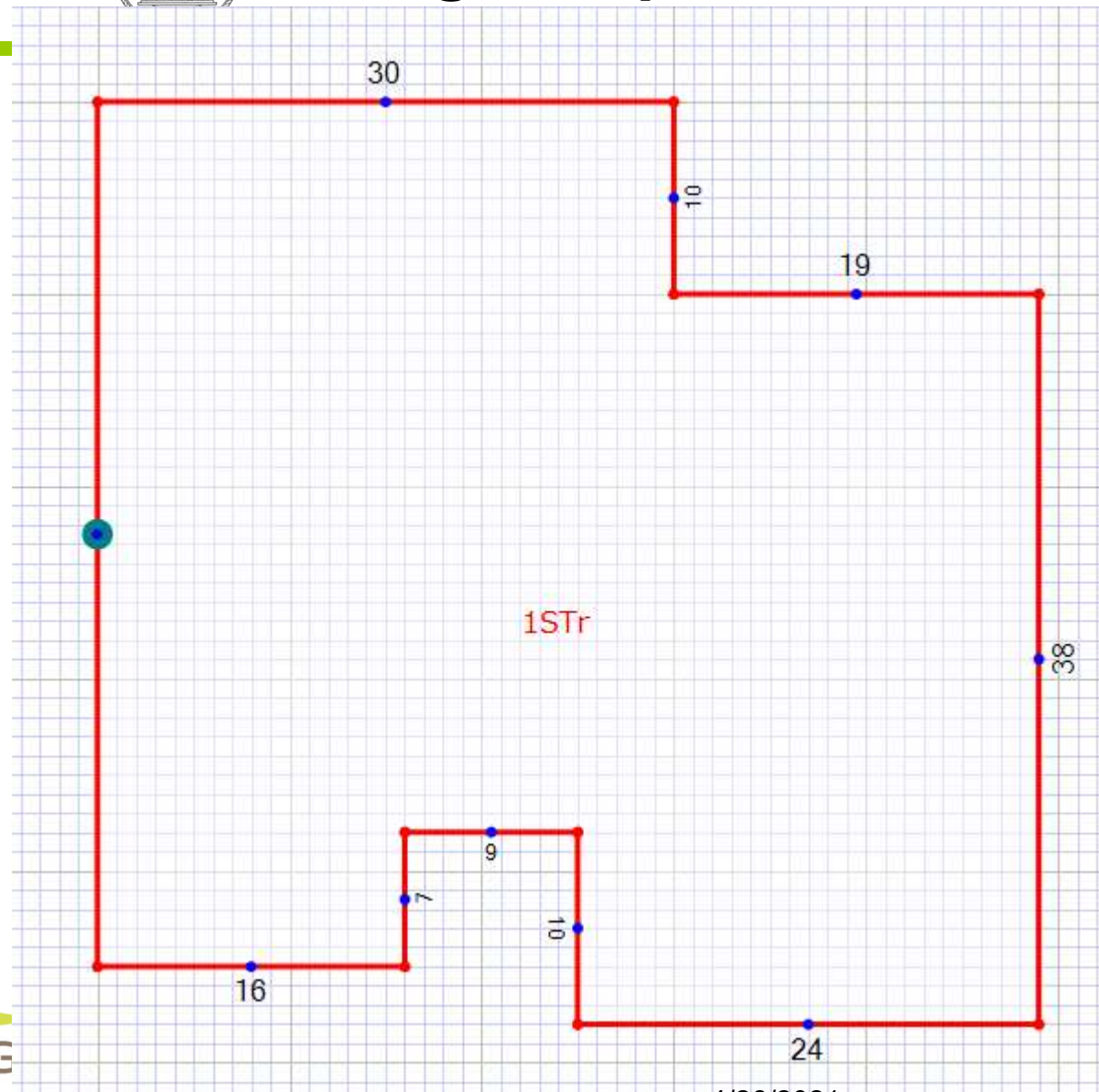


Georgia Department of Revenue





Georgia Department of Revenue







Georgia Department of Revenue

WinGAP - Residential Improvements - 1 of 1

Improvement Key: 9805 1456 SF Alum/Vinyl Sdng 201

Parcel Number: 086C-052-1

Class: Residential

Strat: Improvement

Occupancy: Historical Market Adj

Bedrooms: 0 Rooms: 0

Foundation: Masonry

Ext Walls: Alum/Vinyl Sdng

Roofing: Asphalt Shingles

Roof Shape: Gable

Floor Cons: Wood Joist

Floor Fin: Carpet/Tile

Interior Wall: Sheetrock

Interior Ceiling: Sheetrock

Heat: Central Heat/AC

Story Height:

Grade / Age

Grade: 115

Year Built: 2001

Eff Year Built: 0

Obsv Cond: Average

Neighborhood: 1.00

Depr / Factors

Functional: 1.00

Economic: 1.00

Physical Ovr: 1.00

Complete: 0.60

Physical: 0.95

CD: 1.05

Plumbing

Full Baths: 2

Half Baths: 0

Standard Complements: 1

Extra Fixtures: 3

Fireplace / Misc

1 Pre-fab 1 sty 1 Box

Structure Areas

2.0s 728

OP 24

OP 84

PT 84

PT 240

Heated Area: 1,456

Basement / Attic Option

☐ Descriptive ☒ Square Foot

Bsmt Desc:

Bsmt Finish:

Attic Desc:

Bsmt Area Bsmt % Fin Bsmt Qual

256 0.50 Good

Attic Area Attic % Fin Attic Qual

0 0.00

Values

Override: 0

Improvement: 61,614

Last Calc: 61,614

Ovr Date: / /

Ovr Rsn:

State Homestead: ☐

Comments

Appraiser:

4/26/2021

Cancel New Delete Apply OK



Georgia Department of Community Development

WinGAP - Residential Improvements - 1 of 1

Improvement	Key: 9805	1456 SF Alum/Vinyl Sdng	201
Parcel Number	086C-052	Foundation	Masonry
Class	Residential	Ext Walls	Alum/Vinyl Sdng
Strat	Improvement	Roofing	Asphalt Shingles
Occupancy	Historical Market Adj	Roof Shape	Gable
Bedrooms	0	Floor Cons	Wood Joist
Rooms	0		

Grade / Age

Grade	115
Year Built	2001
Eff Year Built	0
Obsv Cond	Average

Depr / Factors

Functional	1.00
Economic	1.00
Physical Ovr	1.00
Complete	0.60
Physical	0.95
CD	1.05

Plumbing

Full Baths	2
Half Baths	0
Standard Complements	1
Extra Fixtures	3

Basement / Attic Option

<input type="radio"/> Descriptive		<input checked="" type="radio"/> Square Foot	
Bsmt Desc		Bsmt Area	Bsmt % Fin
Bsmt Finish		256	0.50
Attic Desc		Attic Area	Attic % Fin
		0	0.00

Values

Override	0	Ovr Date	/ /
Improvement	61,614	Ovr Rsn	
Last Calc	61,614		
State Homestead	<input type="checkbox"/>		





Georgia Department of Revenue

Fundamentals

- By
- Grant M. Hilton
- Grading Quality of Construction and Other Important Guidelines



Georgia Department of Revenue

RCN Case Study

- **Residential Structure Calculations**



Georgia Department of Revenue

PAIRED SALES ANALYSIS

Consider the following sales data:

- (1) All sales took place last month
- (2) All properties are single-family 3-bedroom houses
- (3) Sales 1, 2, and 3 are similar with 1 car gar except sale 1 has a finished basement.
- (4) Sales 4, 5, 6, and 7 are similar with 2 car gar except sale 4 has a finished basement.

How much does a finished basement contribute to the value of houses in the market by these comps.

Sale 1 \$72,800

Sale 2 \$70,000

Sale 3 \$70,100

Sale 4 \$75,800

Sale 5 \$73,000

Sale 6 \$73,050

Sale 7 \$73,100



Georgia Department of Revenue

PAIRED SALES ANALYSIS SOLUTION

SALE (BSMNT) - SALE (NO BSMNT) = BSMNT VAL

HOUSES WITH 1 CAR GARAGE

(SALE 1 - SALE 2) 72,800 - 70,000 = 2800

(SALE 1 - SALE 3) 72,800 - 70,100 = 2700

HOUSES WITH 2 CAR GARAGE

(SALE 4 - SALE 5) 75,800 - 73,000 = 2800

(SALE 4 - SALE 6) 75,800 - 73,050 = 2750

(SALE 4 - SALE 7) 75,800 - 73,100 = 2700

**FINISHED BASEMENT CONTRIBUTES BETWEEN
\$2,700 AND \$2,800 IN THIS MARKET**



Georgia Department of Revenue

Residential Improvement Sales Comparison Form

Uniform Residential Appraisal Report

Form 1004

1. Property Address: []

2. Date of Inspection: []

3. Appraiser's Name: []

4. Appraiser's License Number: []

5. Appraiser's Signature: []

6. Date of Report: []

7. Property Description: []

8. Property Location: []

9. Property Characteristics: []

10. Property History: []

11. Property Condition: []

12. Property Value: []

13. Property Notes: []

14. Property Remarks: []

15. Property Summary: []

16. Property Conclusion: []

17. Property Disclaimer: []

18. Property Acknowledgment: []

19. Property Signature: []

20. Property Date: []

21. Property Title: []

22. Property Address: []

23. Property City: []

24. Property State: []

25. Property Zip: []

26. Property County: []

27. Property Parcel Number: []

28. Property Legal Description: []

29. Property Map Reference: []

30. Property Survey Reference: []

31. Property Plat Reference: []

32. Property Deed Reference: []

33. Property Mortgage Reference: []

34. Property Other Reference: []

35. Property Other Information: []

36. Property Other Remarks: []

37. Property Other Notes: []

38. Property Other Data: []

39. Property Other Details: []

40. Property Other Facts: []

41. Property Other Figures: []

42. Property Other Tables: []

43. Property Other Charts: []

44. Property Other Graphs: []

45. Property Other Diagrams: []

46. Property Other Images: []

47. Property Other Attachments: []

48. Property Other References: []

49. Property Other Sources: []

50. Property Other Authorities: []

51. Property Other Experts: []

52. Property Other Advisors: []

53. Property Other Consultants: []

54. Property Other Specialists: []

55. Property Other Professionals: []

56. Property Other Officials: []

57. Property Other Agents: []

58. Property Other Brokers: []

59. Property Other Representatives: []

60. Property Other Stakeholders: []

61. Property Other Parties: []

62. Property Other Interests: []

63. Property Other Claims: []

64. Property Other Disputes: []

65. Property Other Litigation: []

66. Property Other Proceedings: []

67. Property Other Actions: []

68. Property Other Matters: []

69. Property Other Issues: []

70. Property Other Questions: []

71. Property Other Answers: []

72. Property Other Solutions: []

73. Property Other Recommendations: []

74. Property Other Suggestions: []

75. Property Other Advice: []

76. Property Other Opinions: []

77. Property Other Conclusions: []

78. Property Other Findings: []

79. Property Other Results: []

80. Property Other Outcomes: []

81. Property Other Impacts: []

82. Property Other Effects: []

83. Property Other Consequences: []

84. Property Other Reactions: []

85. Property Other Responses: []

86. Property Other Actions: []

87. Property Other Measures: []

88. Property Other Steps: []

89. Property Other Procedures: []

90. Property Other Processes: []

91. Property Other Systems: []

92. Property Other Methods: []

93. Property Other Techniques: []

94. Property Other Approaches: []

95. Property Other Strategies: []

96. Property Other Tactics: []

97. Property Other Plans: []

98. Property Other Schemes: []

99. Property Other Designs: []

100. Property Other Projects: []

101. Property Other Ventures: []

102. Property Other Enterprises: []

103. Property Other Undertakings: []

104. Property Other Experiments: []

105. Property Other Trials: []

106. Property Other Tests: []

107. Property Other Demonstrations: []

108. Property Other Proofs: []

109. Property Other Evidence: []

110. Property Other Facts: []

111. Property Other Truths: []

112. Property Other Realities: []

113. Property Other Actualities: []

114. Property Other Currents: []

115. Property Other Trends: []

116. Property Other Movements: []

117. Property Other Changes: []

118. Property Other Developments: []

119. Property Other Progressions: []

120. Property Other Advancements: []

121. Property Other Improvements: []

122. Property Other Enhancements: []

123. Property Other Upgrades: []

124. Property Other Refinements: []

125. Property Other Perfections: []

126. Property Other Achievements: []

127. Property Other Attainments: []

128. Property Other Accomplishments: []

129. Property Other Successes: []

130. Property Other Triumphs: []

131. Property Other Victories: []

132. Property Other Wins: []

133. Property Other Gains: []

134. Property Other Benefits: []

135. Property Other Advantages: []

136. Property Other Pros: []

137. Property Other Positives: []

138. Property Other Strengths: []

139. Property Other Qualities: []

140. Property Other Characteristics: []

141. Property Other Attributes: []

142. Property Other Features: []

143. Property Other Aspects: []

144. Property Other Elements: []

145. Property Other Components: []

146. Property Other Parts: []

147. Property Other Pieces: []

148. Property Other Portions: []

149. Property Other Sections: []

150. Property Other Divisions: []

151. Property Other Segments: []

152. Property Other Divides: []

153. Property Other Shares: []

154. Property Other Proportions: []

155. Property Other Ratios: []

156. Property Other Rates: []

157. Property Other Percentages: []

158. Property Other Fractions: []

159. Property Other Decimals: []

160. Property Other Numbers: []

161. Property Other Figures: []

162. Property Other Digits: []

163. Property Other Symbols: []

164. Property Other Signs: []

165. Property Other Marks: []

166. Property Other Indicators: []

167. Property Other Signals: []

168. Property Other Cues: []

169. Property Other Clues: []

170. Property Other Hints: []

171. Property Other Tips: []

172. Property Other Tricks: []

173. Property Other Secrets: []

174. Property Other Mysteries: []

175. Property Other Puzzles: []

176. Property Other Riddles: []

177. Property Other Enigmas: []

178. Property Other Conundrums: []

179. Property Other Dilemmas: []

180. Property Other Quandaries: []

181. Property Other Quandaries: []

182. Property Other Quandaries: []

183. Property Other Quandaries: []

184. Property Other Quandaries: []

185. Property Other Quandaries: []

186. Property Other Quandaries: []

187. Property Other Quandaries: []

188. Property Other Quandaries: []

189. Property Other Quandaries: []

190. Property Other Quandaries: []

191. Property Other Quandaries: []

192. Property Other Quandaries: []

193. Property Other Quandaries: []

194. Property Other Quandaries: []

195. Property Other Quandaries: []

196. Property Other Quandaries: []

197. Property Other Quandaries: []

198. Property Other Quandaries: []

199. Property Other Quandaries: []

200. Property Other Quandaries: []



Georgia Department of Revenue

Commercial Structures Valuation



Georgia Department of Revenue

Commercial Valuation Tables

□ Construction Types 1, 2, 3, 4, 5

❖ **Building Types 001, 002, 003, 004, 005, 006, 008, 064, 099 etc. for wall height and area/perimeter tables**

➤ **Structural Element Categories**

✓ **Foundation, ceiling, interior wall, heat/ac**

✓ **BuiltAs UsedAs Types**



Georgia Department of Revenue

Construction Types

- Commercial buildings are usually divided into five basic cost groups by type of framing (supporting columns and beams), walls, floors and roof structures, and fireproofing.
- 1-Heavy Structural Steel
- 2-Reinforced Concrete
- 3-Masonry or Load Bearing Walls
- 4-Wood/Steel Combustible
- 5-Prefab Structural Steel



Georgia Department of Revenue

Construction Type 1

- These building types have fireproofed steel frames that support all floor and roof loads.
- Walls, floors, and roofs are built of noncombustible materials.





Georgia Department of Revenue

Construction Type 2

- These building types have fireproofed, reinforced concrete frames that support all floor and roof loads or masonry floors and roofs.
- Walls, floors, and roofs are built of noncombustible materials.





Georgia Department

Construction Type 3

- These building types have exterior walls of noncombustible materials such as masonry or concrete. The walls may be load bearing or non load bearing.
- Interior partitions and roof structures are built of combustible materials.
- Floors may be concrete or wood frame.





Georgia Department

Construction Type 4

- These building types generally have wood exterior walls or wood and steel frame in bearing walls such as Masonry (Brick) Veneer, etc.





Georgia Department

Construction Type 5

- These building types are specialized and do not fit in the other four categories.
- Such buildings may include pre-engineered metal buildings





Georgia Department of Revenue

Building Types

- **Categories of Commercial Improvements based on similarities in Construction Type and other components, such as Area / Perimeter and Wall Height.**
- **A Building Type is a homogeneous group of commercial buildings that will have the same pricing/adjustments for these additional items.**



Georgia Department of Revenue

Building Types - Wall Height Tables

Building Type		Stores, Standard Commerc	
BLDG_TYPE	Wall Ht	Multiplier	
003	9.00000	0.94	
003	10.00000	0.96	
003	11.00000	0.98	
003	12.00000	1.00	
003	13.00000	1.02	
003	14.00000	1.04	
003	15.00000	1.06	

Building Type		Garages, Ind, Warehouses	
BLDG_TYPE	Wall Ht	Multiplier	
004	11.00000	0.94	
004	12.00000	0.96	
004	13.00000	0.98	
004	14.00000	1.00	
004	15.00000	1.02	
004	16.00000	1.04	
004	17.00000	1.06	



Georgia Department of Revenue

Building Types - Area Perimeter Tables

Building Type		Stores, Standard Commerc ▼		
BLDG_TYPE	A/P Ratio	Multiplier		
003	9.000000	1.23		
003	10.000000	1.18		
003	12.000000	1.12		
003	14.000000	1.06		
003	16.000000	1.03		
003	18.000000	0.99		
003	20.000000	0.97		

Building Type		Garages, Ind. Warehouses ▼		
BLDG_TYPE	A/P Ratio	Multiplier		
004	16.000000	1.10		
004	18.000000	1.07		
004	20.000000	1.04		
004	25.000000	1.00		
004	30.000000	0.97		
004	35.000000	0.95		
004	40.000000	0.93		



Georgia Department of Revenue

Building Types – Characterized by any 3-digit number or letters

- **Building Type Category Examples**
- 001 - Apartments, Hotels
- 002 - Multiple Family, Motels
- 003 - Stores and Standard Commercials
- 004 - Garages, Industrials, Warehouses
- 005 - Offices and Public Buildings
- 006 - Churches
- 007 – Sheds and AG Buildings
- 008 - Schools



Georgia Department of Revenue

Building Types – Characterized by any 3-digit number or letters.

- **Building Type Category Examples**
- 009 – Special Supplemental Cost
- 099 – Miscellaneous Buildings



Georgia Department of Revenue

Structural Element Categories

- **Structural Elements are types of Structural Components, such as "Ceiling Finish", "Heat / AC" or "Floor Construction".**
- **These may add a square foot cost to the building if using segregated costing method or they may just be used for descriptive purposes if using calculator costing method.**



Georgia Department of Revenue

Structural Element Categories

- ***Foundation***
- ***Ceiling***
- ***Interior Wall***
- ***Wiring***
- ***Lighting***
- ***Exterior Wall***
- ***Floor Finish***
- ***Roof Cover***
- ***Floor Construction***
- ***Wall Frame***
- ***Roof Frame***
- ***Heat / AC***



Georgia Department of Revenue

Components within Structural Element Categories

Bldg Type	Structural Element	Description
Stores, Standard	Commercials	FLRFIN Ceramic Tile
Stores, Standard	Commercials	FLRFIN Concrete
Stores, Standard	Commercials	FLRFIN Hardwood
Stores, Standard	Commercials	FLRFIN Pine
Stores, Standard	Commercials	FLRFIN Quarry Tile
Stores, Standard	Commercials	FLRFIN Terrazzo
Stores, Standard	Commercials	FLRFIN Vinyl Tile
Stores, Standard	Commercials	FOUND Concrete Col. Footing
Stores, Standard	Commercials	FOUND Concrete Wall
Stores, Standard	Commercials	FOUND Piers
Stores, Standard	Commercials	FOUND Slab Perimeter Footing
Stores, Standard	Commercials	HEATAC Central Evaporative W/Ducts
Stores, Standard	Commercials	HEATAC Central Refrigeration W/Ducts
Stores, Standard	Commercials	HEATAC Electric Wall Heaters
Stores, Standard	Commercials	HEATAC Electric, Cable or Baseboard
Stores, Standard	Commercials	HEATAC Evaporative Coolers
Stores, Standard	Commercials	HEATAC Forced Air Furnace
Stores, Standard	Commercials	HEATAC Heat Pump System

Bldg Type
Apts, Hotels

Structural Element
Ceiling Finish

Description
Celotex

\$/Sq Ft Adj

Quality 1 = Low Cost	0.00
Quality 2 = Fair	0.00
Quality 3 = Average	0.00
Quality 4 = Good	0.00
Quality 5 = Excellent	0.00

Help Cancel New Delete Apply OK



Georgia Department of Revenue

Use Types (Built-As and Used-As Codes)

- Within each Building Type should be subtypes for which the building was designed for.
- These subtypes are usually referred to as Use Types.
- The base cost of the building is usually keyed.

The screenshot displays a software window for building type selection. At the top, a table lists various building types with their corresponding codes and base costs. 'Retail Stores' is highlighted in blue. Below the table, fields for 'Used as Code', 'Pricing Code', 'Base Cost', and 'NAICS' are visible. The 'Used as Code' field contains '8117', 'Pricing Code' is 'SqFt', 'Base Cost' is '68.40', and 'NAICS' is empty. The 'Description' field contains 'Retail Stores'. Below these fields is a 'Construction Types' table with columns for 'Construction Types', 'Cost Mult', and 'Life Exp'. The table lists five construction types with their respective cost multipliers and life expectancies. At the bottom of the window are buttons for 'Help', 'Cancel', 'New', 'Delete', 'Apply', and 'OK'.

Description		
Restaurant	9033 1	104.45
Restaurant Cafeteria	8097 1	96.92
Restaurant Fast Food	9040 1	111.70
Restroom Bldg	8536 1	126.55
Retail Stores	8117 1	68.40
Roadside Markets	8106 1	31.43
Rooming Houses	8017 1	73.78
Row (Town) High Rise	7038 1	75.49
Row (Town) House	8038 1	75.12

Used as Code: Edit Description:

Pricing Code: Bldg Type:

Base Cost: NAICS:

Construction Types	Cost Mult	Life Exp
Heavy Structural Steel	1.30	50
Reinforced Concrete	1.25	50
Masonry Load Bearing	1.00	45
Wood / Steel Combustible	0.94	40
Prefab Structural Steel	0.93	40

Buttons: Help Cancel New Delete Apply OK



Georgia Department of Revenue

Commercial Extra Features

Description	Comp #	Method	Table	Cost
3MEZZ/Retail Display-12	X068	1		39.51
3MEZZ/Retail Display-123	X074	1		27.98
3MEZZ/Retail Office-12	X069	1		53.62
3MEZZ/Retail Office-123	X075	1		37.50
3MEZZ/Retail Storage-12	X070	1		21.93
3MEZZ/Retail Storage-123	X076	1		16.64
3Sprinklers Dry<10KSqFt	X228	1		4.76
3Sprinklers Dry>100KSqFt	X230	1		2.26
3Sprinklers Dry>10K/100KSqFt	X229	1		3.36
3Sprinklers Wet<10KSqFt	X225	1		3.74
3Sprinklers Wet>100KSqFt	X227	1		1.87
3Sprinklers Wet>10K/100KSqFt	X226	1		2.70

Pricing Information

Comp # Description

Pricing Method Base Cost



Georgia Department of Revenue

Commercial Extra Features Rank

Rank - Description	Multiplier
1 - Excellent	- 1.50
2 - Good	- 1.25
3 - Average	- 1.00
4 - Fair	- 0.75
5 - Poor	- 0.50

Description
Excellent

Rank Multiplier
1 1.50

Help Cancel New Delete Apply OK



Georgia Department of Revenue

Story Height Adjustments

LABEL	DESCRIP	SQFT	COSTFACT	AREAFACT	LABELTYF
OF4	Office-4 Story	0.000000	4.0200	4.0000	Primary
OF5	Office-5 Story	8.000000	5.0250	5.0000	Primary
OF6	Office-6 Story	0.000000	6.0300	6.0000	Primary
OF7	Office-7 Story	0.000000	7.0350	7.0000	Primary
OF8	Office-8 Story	0.000000	8.0400	8.0000	Primary
OF9	Office-9 Story	0.000000	9.0450	9.0000	Primary

Label: 1.5c

Description: 1.5 Story

Label Type: Primary

Cost / SQFT: 0.0000

Cost Factor: 1.6000

Area Factor: 1.5000

Building Type:

- ☐ RES
- ☒ COM
- ☐ MH



Cancel New Delete Apply OK

4/26/2021

SERVE

117



Georgia Department of Revenue

Segregated Vs. Calculator

- Segregated – cost per square foot for major building components.
- Calculator – cost per square foot for various frame classes, occupancy types, and qualities. Additions or deductions are made for differences between similar structures.





Georgia Department of Revenue

What Factors Do We Need to Know for CAMA Calculator Method?

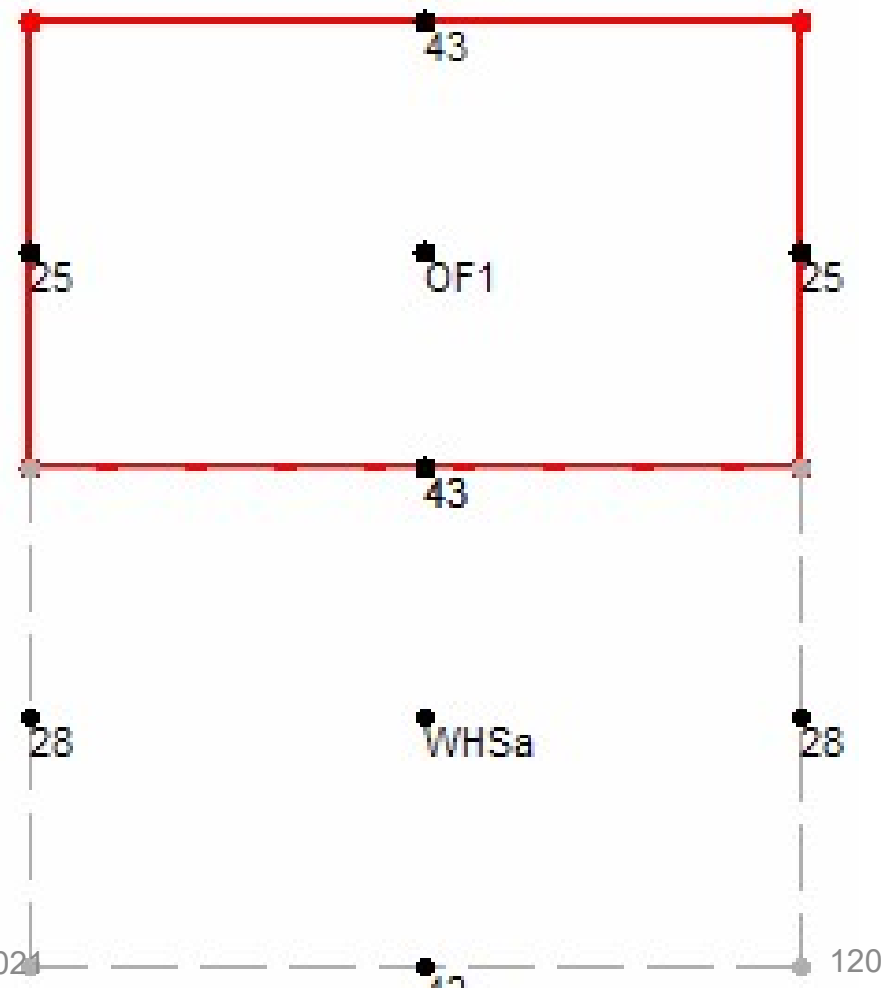
- Construction (Frame) Type - **3**
- (Building Type) Number - **13**
- Use Type – **BuiltAs-UsedAs (9033-Restaurant)**
- Quality Grade – **Good (130)**
- Wall Height – **12**
- Structural Elements or Extra Feature Adds + or Takeaways – **Elevators, HVAC, BSMT, MEZZ, Plumbing**



Georgia Department of Revenue

Common Wall Adjustment

- Adjustment should be made when two sections are attached and share a common wall.
- The adjustment will be based on the length of each shared wall.





Georgia Department of Revenue

EX: 150/175/200

GD: 120/130/140

AV: 90/100/110

LC: 60/70/80

Data Organization is Essential

Used_code	Bldg_type	Naics	Pc_base	Descript	Price_code	Table	Life1	Life2	Life3	Life4	Life5	Cc_mod1	Cc_mod2	Cc_mod3	Cc_mod4	Cc_mod5
8839	04		50.500000	Recycling Facilities	1	0	50	50	50	50	50	1.00	1.00	1.00	1.00	1.00
8136	03		64.050000	Region Discount Shop Cntr	1	0	50	50	50	45	45	1.24	1.24	1.00	0.93	0.92
8146	03		36.160000	Region Shop Cntr Shell	1	0	50	50	45	45	45	1.69	1.69	1.00	0.87	0.82
8140	03		89.350000	Regional Shop Center	1	0	50	50	45	45	45	1.47	1.47	1.00	0.94	0.93
8502	08		77.370000	Relocatable Classrooms	1	0	25	25	25	25	25	1.00	1.00	1.00	1.00	1.00
8596	08		70.740000	Relocatable Offices	1	0	25	25	25	25	25	1.00	1.00	1.00	1.00	1.00
8085	02		110.370000	Residential Garages	1	0	40	40	40	35	35	1.00	1.00	1.00	0.72	0.88
8097	03		96.920000	Restaurant Cafeteria	1	1	30	30	30	30	30	1.23	1.23	1.00	0.93	0.94
9040	03		111.700000	Restaurant Fast Food	1	0	40	40	35	35	35	1.30	1.30	1.00	0.93	0.92
9033	03		104.450000	Restaurant	1	0	40	40	35	35	55	1.25	1.25	1.00	0.93	0.91
8536	08		126.550000	Restroom Bldg	1	0	35	35	30	25	25	1.26	1.26	1.00	0.92	0.66
8117	03		68.400000	Retail Stores	1	0	50	50	45	40	40	1.30	1.25	1.00	0.94	0.93
8106	03		31.430000	Roadside Markets	1	1	30	30	30	25	25	1.00	1.00	1.00	0.87	0.86
8017	01		73.780000	Rooming Houses	1	0	50	50	50	45	45	1.00	1.00	1.00	0.93	1.00
7038	01		75.490000	Row (Town) High Rise	1	0	55	55	55	50	50	1.00	1.00	1.00	0.94	1.00
8079	02		75.120000	SC Town Houses	1	0	55	55	55	50	50	1.00	1.00	1.00	0.95	1.00
8809	10		156.530000	SSPrefab Food Booths	1	0	20	20	20	20	20	1.00	1.00	1.00	1.00	1.00
8808	10		79.380000	SSStations W/Service Bays	1	0	20	20	20	20	20	1.00	1.00	1.00	1.00	1.20
8585	08		146.450000	Science Bldg	1	0	50	50	45	40	40	1.24	1.24	1.00	0.95	0.94
7025	07		49.850000	Secure Stg Mod Shed Bldg	1	0	25	25	25	25	25	1.00	1.00	1.00	1.00	0.40
8361	07		26.860000	Seed Process Storage MZZ	1	0	30	30	30	30	30	1.00	1.00	1.00	1.00	0.97
8804	10		56.020000	Self Serve Car Washes	1	0	30	30	30	20	25	1.00	1.00	1.00	0.94	0.92
8203	04		19.020000	Service Garage Shed	1	0	30	30	30	25	25	1.00	1.00	1.00	0.80	0.87
9138	04		42.890000	Service Repair Garage	1	0	40	40	40	35	30	1.49	1.49	1.00	0.91	0.85

4/26/2021

124



Georgia Department of Revenue

What Factors Do We Need to Know for CAMA Schedule Updates?

- Determine if there are adequate defined Use Types do describe the type of commercial structures in the county.
- Determine Base Rates for Use Type – **BuiltAs-UsedAs (9033-*Restaurant*)**
- Determine Base Rates for Structural Elements or Extra Feature Adds + or Takeaways – ***Elevators, HVAC, BSMT, MEZZ, Plumbing***



Georgia Department of Revenue

RCN Case Study

- **Commercial/Industrial Structure Calculations**



Georgia Department of Revenue

CHAPTER 3 ESTIMATING ACCRUED DEPRECIATION

- **DEPRECIATION** is a loss in utility and value from any **CAUSE**. (Physical Deterioration or Obsolescence)
- **Types of Physical Deterioration:**
 - Wear and Tear
 - Decay
 - Dry Rot
 - Cracks
 - Encrustation
 - Structural Defects



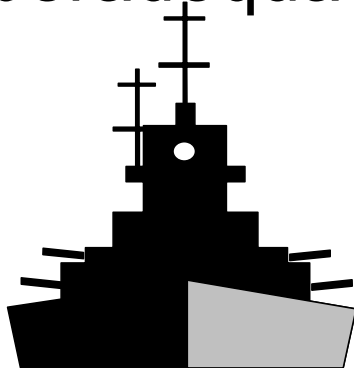


Georgia Department of Revenue

CHAPTER 3 ESTIMATING ACCRUED DEPRECIATION

■ Functional obsolescence

- Design deficiency
- Inadequacy
- Superadequacy





FUNCTIONAL OBSOLESCENCE

FUNCTIONAL OBSOLESCENCE CURABLE

- Design deficiency that can be replaced or redesigned at a relatively low cost.
- Curable if economically feasible to fix or if you can recover the cost to fix it

- Needs additional bath or bedroom where space is available
- Inadequate electrical wiring
- Insufficient storage
- No parking
- Not enough phone jacks or electrical outlets

Measured by:

- Cost to cure
- GRM or GIM
- MKT Comparison



FUNCTIONAL OBSOLESCENCE

▪FUNCTIONAL OBSOLESCENCE INCURABLE

- Design deficiency that is not economically feasible to remedy.
- Cost more to fix it than you can make up in sale or rent
- Poor design
- Out of date design or equipment
- 4 car garage
- **Measured by:**
- GRM or GIM
- MKT Comparison



Georgia Department of Revenue



ECONOMIC OBSOLESCENCE

- **Obsolescence caused by external forces to the property.**
- **Incurable in most instances**



- Environmental problems
- Encroaching commercial area toward a residential neighborhood
- Residential houses next to railroad tracks
- Residential houses within the flight path of an airport
- **Measured by:**
- GRM or GIM *must back out loss to land using LtoB ratio
- **MKT Comparison**





Georgia Department of Revenue

DEFINITION OF TERMS

- **TOTAL ECONOMIC LIFE** - Total period of time that the improvements contributes value to the property. Formula: $(REL + EFF\ AGE = TEL)$
- **ACTUAL AGE** - Number of years lapsed since the original structure was built. (Chronological age or Historical age.)
- **EFFECTIVE AGE** - The age of a building based on the actual wear and tear and maintenance, or the lack of it, that the building has received.
- **REMAINING ECONOMIC LIFE** - Period of time from the date of appraisal to the end of the improvement's economic life. $(REL + EFF\ AGE = TEL)$ or $(TEL - Eff\ Age = REL)$



Georgia Department of Revenue

5 METHODS OF MEASURING DEPRECIATION

1. Age/Life

- Cost of building is depreciated at a fixed annual percentage rate.
- Uses straight line depreciation tables.

2. Modified Age/Life

- Straight Line with EXTRA

3. Engineering Breakdown

- Detailed age-life method that can be used in quantity survey and unit-in-place cost method. Each building component is depreciated separately.

4. Observed Condition

- Most Detailed method of estimating depreciation that breaks down depreciation into all components (curable, incurable)

5. Sales Comparison Approach

- Calculated from the Market

WinGAP - Depreciation - Residential

Grade-Frame-Age	Grade-Frame-Age	Grade-Frame-Age
060-A- 96	085-A- 15	085-A- 34
060-A- 97	085-A- 16	085-A- 35
060-A- 98	085-A- 17	085-A- 36
060-A- 99	085-A- 18	085-A- 37
060-A-100	085-A- 19	085-A- 38
085-A- 1	085-A- 20	085-A- 39
085-A- 2	085-A- 21	085-A- 40
085-A- 3	085-A- 22	085-A- 41
085-A- 4	085-A- 23	085-A- 42
085-A- 5	085-A- 24	085-A- 43
085-A- 6	085-A- 25	085-A- 44
085-A- 7	085-A- 26	085-A- 45
085-A- 8	085-A- 27	085-A- 46
085-A- 9	085-A- 28	085-A- 47
085-A- 10	085-A- 29	085-A- 48
085-A- 11	085-A- 30	085-A- 49
085-A- 12	085-A- 31	085-A- 50
085-A- 13	085-A- 32	085-A- 51
085-A- 14	085-A- 33	085-A- 52

Depreciation Group

Grade:

Frame:

Age:

Depreciation Factors

Ex:	Gd:	Av:	Fr:	Pr:
0.99	0.98	0.97	0.95	0.91

WinGAP - Depreciation - Residential

Grade-Frame-Age	Grade-Frame-Age	Grade-Frame-Age
060-A- 96	085-A- 15	085-A- 34
060-A- 97	085-A- 16	085-A- 35
060-A- 98	085-A- 17	085-A- 36
060-A- 99	085-A- 18	085-A- 37
060-A-100	085-A- 19	085-A- 38
085-A- 1	085-A- 20	085-A- 39
085-A- 2	085-A- 21	085-A- 40
085-A- 3	085-A- 22	085-A- 41
085-A- 4	085-A- 23	085-A- 42
085-A- 5	085-A- 24	085-A- 43
085-A- 6	085-A- 25	085-A- 44
085-A- 7	085-A- 26	085-A- 45
085-A- 8	085-A- 27	085-A- 46
085-A- 9	085-A- 28	085-A- 47
085-A- 10	085-A- 29	085-A- 48
085-A- 11	085-A- 30	085-A- 49
085-A- 12	085-A- 31	085-A- 50
085-A- 13	085-A- 32	085-A- 51
085-A- 14	085-A- 33	085-A- 52

Depreciation Group

Grade:

Frame:

Age:

Depreciation Factors

Ex:	Gd:	Av:	Fr:	Pr:
<input type="text" value="0.90"/>	<input type="text" value="0.88"/>	<input type="text" value="0.86"/>	<input type="text" value="0.82"/>	<input type="text" value="0.78"/>

Cancel

New

Delete

Apply

OK

4/26/2021

A GREAT STATE TO SERVE

WinGAP - Depreciation - Residential

Grade-Frame-Age	Grade-Frame-Age	Grade-Frame-Age
110-A- 86	135-A- 5	135-A- 24
110-A- 87	135-A- 6	135-A- 25
110-A- 88	135-A- 7	135-A- 26
110-A- 89	135-A- 8	135-A- 27
110-A- 90	135-A- 9	135-A- 28
110-A- 91	135-A- 10	135-A- 29
110-A- 92	135-A- 11	135-A- 30
110-A- 93	135-A- 12	135-A- 31
110-A- 94	135-A- 13	135-A- 32
110-A- 95	135-A- 14	135-A- 33
110-A- 96	135-A- 15	135-A- 34
110-A- 97	135-A- 16	135-A- 35
110-A- 98	135-A- 17	135-A- 36
110-A- 99	135-A- 18	135-A- 37
110-A-100	135-A- 19	135-A- 38
135-A- 1	135-A- 20	135-A- 39
135-A- 2	135-A- 21	135-A- 40
135-A- 3	135-A- 22	135-A- 41
135-A- 4	135-A- 23	135-A- 42

Depreciation Group

Grade: 1.35

Frame:

Age: 10

Depreciation Factors

Ex:	Gd:	Av:	Fr:	Pr:
0.94	0.92	0.91	0.89	0.82

Cancel

New

Delete

Apply

OK



Georgia Department of Revenue

Commercial Life Expectancies

Used_code	Bldg_type	Naics	Pc_base	Descript	Price_code	Table	Life1	Life2	Life3	Life4	Life5
8839	04		50.500000	Recycling Facilities	1	0	50	50	50	50	50
8136	03		64.050000	Region Discount Shop Cntr	1	0	50	50	50	45	45
8146	03		36.160000	Region Shop Cntr Shell	1	0	50	50	45	45	45
8140	03		89.350000	Regional Shop Center	1	0	50	50	45	45	45
8502	08		77.370000	Relocatable Classrooms	1	0	25	25	25	25	25
8596	08		70.740000	Relocatable Offices	1	0	25	25	25	25	25
8085	02		110.370000	Residential Garages	1	0	40	40	40	35	35
8097	03		96.920000	Restaurant Cafeteria	1	1	30	30	30	30	30
9040	03		111.700000	Restaurant Fast Food	1	0	40	40	35	35	35
9033	03		104.450000	Restaurant	1	0	40	40	35	35	55
8536	08		126.550000	Restroom Bldg	1	0	35	35	30	25	25
8117	03		68.400000	Retail Stores	1	0	50	50	45	40	40



Georgia Department of Revenue

Commercial Depreciation Schedules

Grade-Frame-Age	Grade-Frame-Age	Grade-Frame-Age
100-A- 1	100-A- 20	100-A- 39
100-A- 2	100-A- 21	100-A- 40
100-A- 3	100-A- 22	100-A- 41
100-A- 4	100-A- 23	100-A- 42
100-A- 5	100-A- 24	100-A- 43
100-A- 6	100-A- 25	100-A- 44
100-A- 7	100-A- 26	100-A- 45
100-A- 8	100-A- 27	100-A- 46
100-A- 9	100-A- 28	100-A- 47
100-A- 10	100-A- 29	100-A- 48
100-A- 11	100-A- 30	100-A- 49
100-A- 12	100-A- 31	100-A- 50
100-A- 13	100-A- 32	100-A- 51
100-A- 14	100-A- 33	100-A- 52
100-A- 15	100-A- 34	100-A- 53
100-A- 16	100-A- 35	100-A- 54
100-A- 17	100-A- 36	100-A- 55
100-A- 18	100-A- 37	100-A- 56
100-A- 19	100-A- 38	100-A- 57

Depreciation Group

Grade:

Frame:

Age:

Depreciation Factors

5:	10:	15:	20:	25:
0.00	0.21	0.43	0.60	0.71
30:	35:	40:	45:	50:
0.79	0.85	0.89	0.92	0.94
55:	60:	65:	70:	75:
0.96	0.97	0.97	0.98	0.98





Georgia Department of Revenue

Observed Condition Method

- Measures physical deterioration and functional obsolescence
- Looks at 3 Groups (hair/skin, muscles, skeleton)
 - Curable deferred maintenance
 - Incurable short lived
 - Incurable long lived







Georgia Department of Revenue





OBSERVED CONDITION METHOD

▪ PHYSICAL DETERIORATION CURABLE (hair/skin)

- Deferred maintenance
- Measured by the cost to cure
- Loose shingles
- Paint
- Loose floor tiles
- Cracked window pane



OBSERVED CONDITION METHOD

▪ **INCURABLE PHYSICAL DETERIORATION** (*“physical deterioration incurable postponed”; Also known as “curable physical postponed” if item totally worn out*)

- Not going to do it every year, usually postponed

1. SHORT LIVED-Muscle

- Components whose remaining physical life is shorter than the total remaining economic life
- Roof cover
- Gutters
- Plumbing fixtures

▪ **MEASURED BY AGE LIFE METHOD**

2. LONG LIVED-Skeleton

- Usually depreciated as a group by making an estimate of their effective age and remaining physical life based on their condition
- Footings
- Foundation
- Floor structure
- Frame and Walls
- Roof structure
- Piping, Ducts, Insulation, Wiring

MEASURED BY AGE LIFE METHOD



Georgia Department of Revenue

AGE LIFE METHOD

- EFFECTIVE AGE DIVIDED BY TYPICAL ECONOMIC LIFE
- Effective age = 10 yrs
- TEL = 50 yrs
- $10 / 50 = 20\%$ Depreciation



Georgia Department of Revenue

PHYSICAL DETERIORATION PROBLEM

Information is as follows:

RCN of house is \$94225 TEL=50 years EFF AGE = 5

CURABLE ITEMS

Exterior Trim needs painting - Reproduction cost new is \$150; cost to cure \$180; Loose Shingle - Reproduction cost new is \$100; cost to cure \$125; Leaky faucets in bathrooms - reproduction cost new is \$75; cost to cure \$100.

INCURABLE ITEMS (SHORT LIVED)

water heater RCN 400 TEL 5 EA 2 ; Plumb RCN \$4000 TEL 15 EA 5 ; HA/C RCN \$5000 TEL 20 EA 5 ; Electric Outlet RCN \$2000 TEL 15 EA 5 ; Roof RCN \$2500 TEL 25 EA 5 ;



Georgia Department of Revenue

PHYSICAL DETERIORATION PROBLEM

•RCN=\$94225

TEL=50YRS

•EFF AGE=5YRS

•Curable Physical

•ITEM

RCN

COST/CURE

•Paint trim

\$ 150

\$ 180

•Loose shingle

\$ 100

\$ 125

•Leaky faucets

\$ 75

\$ 100

•Total

\$ 325

\$ 405

RCN BLDG 94225

- 14225 (325+13900)

= 80000 Basic Skeleton

\$80000X(5/50).1000= 8000

+405cc

+3910\$dep

Total Physical Deterioration

= \$12315

12315 / 94225 = .13

1.00 - .13 = .87 percent good

•ITEM

RCN

EA TEL

%DEP

\$DEP

•W/HT \$ 400

2 5

.4000

160

•PLMB \$4000

5 15

.3333

1333

•HA/C \$5000

5 20

.2500

1250

•ELEC \$2000

5 15

.3333

667

•ROOF \$2500

5 25

.2000

500

•TOT \$13900

TOTAL \$3910





Georgia Department of Revenue

PHYSICAL DETERIORATION PROBLEM

Information is as follows:

RCN of house is \$100,000 TEL=50 years EFF AGE = 2

CURABLE ITEMS

Room needs painting - Reproduction cost new is \$120; cost to cure \$200; Loose Brick - Reproduction cost new is \$150; cost to cure \$175; Broke Win/Pane reproduction cost new is \$50; cost to cure \$105.

INCURABLE ITEMS (SHORT LIVED)

water heater RCN \$400 TEL 5 EA 3 ; Plumb RCN \$4000 TEL 15 EA 6 ; HA/C RCN \$5000 TEL 20 EA 6 ; Electric outlet RCN \$2000 TEL 15 EA 6 ; Roof RCN \$2500 TEL 25 EA 6 ;



Georgia Department of Revenue

PHYSICAL DETERIORATION PROBLEM

What is the depreciation in the subject?

Information is as follows:

CURABLE ITEMS

Garage needs painting - Reproduction cost new is \$100; cost to cure \$120; Loose Tiles - Reproduction cost new is \$150; cost to cure \$180; Leaky faucets in 2 Bathrooms Total for both – reproduction cost new is \$90; cost to cure \$110.

INCURABLE ITEMS (SHORT LIVED)

water heater RCN 4500 TEL 5 EA 4 ; Plumb RCN \$4500 TEL 15 EA 7 ; HA/C RCN \$6000 TEL 20 EA 7 ; Electric outlet RCN \$1000 TEL 15 EA 7 ; Roof RCN \$2100 TEL 25 EA 7 ;



Georgia Department of Revenue

SALES COMPARISON METHOD

- Recent sale of land and building is \$65,000
- Subject being appraised estimated RCN is \$56,800 and 30 yrs old
- What is the % depreciation and the FMV of the Subject
- Formulas: (Sale Price – Land Value = Bldg Value)
(D\$ = RCN - BV)
(D% = D\$ / RCN)
- Solution:

• Sale Price	\$65,000	
• Land Value	- <u>\$30,000</u>	
• Residual Building Value	\$35,000	RCN Bldg \$55,000
- RCN \$55,000 – Residual Bldg Value \$35,000 = \$20,000 depreciation
- Dep \$20,000 / RCN \$55,000 = 0.364 or 36.4% dep
- Subject House RCN \$56,800 X 0.364 = \$20,675 Depreciation
- \$56,800 - \$20,675 = \$36,125 FMV of Subject Structure



Georgia Department of Revenue

COMPARABLE SALES		(D = RCN - BV)	(%Dep=Dep\$ / RCN)
Sale Price	RCN	RCN \$104,000 - BV \$80,000 = \$24,000 DEP \$24,000/\$104,000 = 0.2308	
\$100,000	\$104,000	RCN \$119,000 - BV \$90,000=\$29,000 DEP \$29,000/\$119,000=0.2437	
\$110,000	\$119,000	RCN \$130,000 - BV \$100,000=\$30,000 DEP \$30,000/\$130,000=0.2308	
\$120,000	\$130,000	RCN \$111,000 - BV \$85,000=\$26,000 DEP \$26,000/\$111,000=0.2342	
\$105,000	\$111,000		
Land Value of lots in area is \$20,000			
Subject RCN is \$105,000			
What is the % depreciation and depreciated value of the subject house ?		Subject RCN \$105,000 X 0.23 = \$24,150 Value of Subject Property is :	
What is Total Value of Property?		\$105,000	
•Sale Price – Land Value = Bldg Value		- <u>\$24,150 Dep</u>	
\$100,000 - \$20,000 = \$80,000		= \$80,850	
\$110,000 - \$20,000 = \$90,000		+ <u>\$20,000 LV</u>	
\$120,000 - \$20,000 = \$100,000		=\$100,850 TOTAL VALUE OF PROPERTY	
\$105,000 - \$20,000 = \$85,000			



Georgia Department of Revenue

• COMPARABLE SALES

Sale Price	RCN	(D = RCN - BV)	(%Dep=Dep\$ / RCN)
		RCN \$310,000 - BV \$220,000 = \$90,000 DEP	
\$300,000	\$310,000	\$90,000/\$310,000 = 0.2903	
\$310,000	\$322,500	RCN \$322,500 - BV \$230,000=\$92,500 DEP	
\$330,000	\$350,200	\$92,500/\$322,500=0.2868	
\$305,000	\$315,000	RCN \$350,200 - BV \$250,000=\$100,200 DEP	
		\$100,200/\$350,200=0.2861	
		RCN \$315,000 - BV \$225,000=\$90,000 DEP	
		\$90,000/\$315,000=0.2857	

- Land Value of lots in area is \$80,000
- Subject RCN is \$305,000
- What is the % depreciation and depreciated value of the subject house ?

Subject RCN \$305,000 X 0.29 = \$88,450

- What is Total Value of Property? Value of Subject Property is :

• Sale Price – Land Value = Bldg Value

\$300,000 - \$80,000 = \$220,000

\$310,000 - \$80,000 = \$230,000

\$330,000 - \$80,000 = \$250,000

\$305,000 - \$80,000 = \$225,000

\$305,000

- \$88,450 Dep

= \$216,550

+ \$80,000 LV

= \$296,550 TOTAL VALUE OF PROPERTY



Georgia Department of Revenue

CALCULATING VALUE USING GRM

•SP	RENT	•GRM
•\$105,200	\$485	•216.91
•\$107,750	\$500	•215.50
•\$108,900	\$505	•215.64
•\$106,910	\$495	•215.98
•\$105,160	\$485	•216.82

What is the GRM?

What is the value of subject property if it rents for \$515 per month? $515 \times 216 = \$111,240$





Georgia Department of Revenue

CALCULATING VALUE USING GIM

- **SUBJECTS ANNUAL INCOME=\$102,000**
- **SP INCOME GIM**
- **\$798,000 \$ 95,000**
- **\$875,500 \$103,000**
- **\$731,000 \$ 86,000**
- **\$796,000 \$ 91,500**
- **\$905,250 \$106,300**
- **WHAT IS THE GIM and Value using the above Annual Income?**
- **\$**



Georgia Department of Revenue

CALCULATING VALUE USING GRM

•SP	RENT
•\$55,200	\$480
•\$57,750	\$500
•\$60,900	\$525
•\$62,910	\$540
•\$59,160	\$510

What is the GRM?

What is the value of subject property if it rents for \$515 per month?





Georgia Department of Revenue

ESTIMATING INCURABLE FUNCTIONAL OBSCOLESCENCE USING GRM

- **MONTHLY RENT OF COMP WITHOUT DEFECT \$245/MTH**
- **MONTHLY RENT OF SUBJECT WITH DEFECT \$230/MTH**
- **MONTHLY RENTAL LOSS \$15**
- **GRM FOR AREA From Comparable Information = 116**
- **EST LOSS OF VALUE IS
 $\$15 \times 116 = \1740 (DEP LOSS)**



Georgia Department of Revenue

ESTIMATING INCURABLE FUNCTIONAL OBSOLESCENCE USING GRM

- **MONTHLY RENT OF COMP WITHOUT DEFECT
\$550/MTH**
- **MONTHLY RENT OF SUBJECT WITH DEFECT
\$500/MTH**
- **CALCULATE MONTHLY RENTAL LOSS**
- **ESTIMATE GRM FOR AREA From Comparable
Information**
- **ESTIMATE THE FUNCTIONAL DEPRECIATION**
- **50 X 216 = 10,800 functional dep**



Georgia Department of Revenue

ECONOMIC OBSOLESCENCE - Calculating

- **Uses sales comparison method and GRM TO MEASURE**
- **RESIDENTIAL COMPARABLE PROPERTY IN GOOD LOCATION RENTS FOR \$545 PER MONTH**
- **SUBJECT PROPERTY IN BAD LOCATION RENTS FOR \$510 PER MONTH**
- **LAND TO BUILDING RATIO IS 1:4**
- **MARKET INFORMATION IS AS FOLLOWS:**



Georgia Department of Revenue

ECONOMIC OB. PROBLEM

- **SP MONTHLY INCOME**

- **\$52500 \$490**

- **\$53400 \$500**

- **\$56000 \$525**

- **\$50400 \$470**

- **\$57200 \$535**

- **What is the GRM and the economic loss in value to the building?**



Georgia Department of Revenue

ECONOMIC OB. PROB. CONT

- $\$52500/490=107.14$
- $\$53400/500=106.80$
- $\$56000/525=106.67$
- $\$50400/470=107.23$
- $\$57200/535=106.91$
- GRM = 107
- land to bldg ratio 1:4 (1+4=5)
- $\$545 - \$510 = \$35 \times 107(\text{GRM})=3745/5=749$
- $3745-749=2996$ Loss to Bldg.
- Loss to Building due to economic obsolescence



Georgia Department of Revenue

ECONOMIC OBS. USING MATCHED PAIRED SALES

- SP, HOUSE D WITH POOL AWAY FROM SANITATION SITE
\$80,000
- SP, HOUSE E WITH NO POOL NEXT TO SANITATION SITE
\$60,000
- DIFFERENCE $\$80,000 - \$60,000 = \$20,000$
- DIFFERENCE BETWEEN VALUE OF POOL AND NO POOL
IS \$11,000
- INDICATED DIFFERENCE IN VALUE CAUSED BY
SANITATION SITE $\$20,000 - \$11,000 = \$9,000$
- (1:4 LAND TO BLDG RATIO) WHAT IS VALUE LOSS TO
IMPROVEMENT ? $1+4=5$ LAND = 1 PART
- $1 / 5 = .20$ LAND $.80$ BLDG X \$9000 = \$7,200



Georgia Department of Revenue

Additive Method Calculation of Depreciation

RCN x % Physical DEP = PHY DEP

RCN x % Functional DEP = FUNC DEP

RCN Less FUNCTIONAL and PHYSICAL = FMV

FMV * any other factors

+ Land = Total Fair market value of Property.



Georgia Department of Revenue

Depreciation and Influences

RCN = 100,000

PHYSICAL DEP = 2%

FUNCTIONAL OBSOLESCENCE 5%

NEIGHBORHOOD/LOCATION MODIFIER TO BLDG 1.10

LAND VALUE=25,000

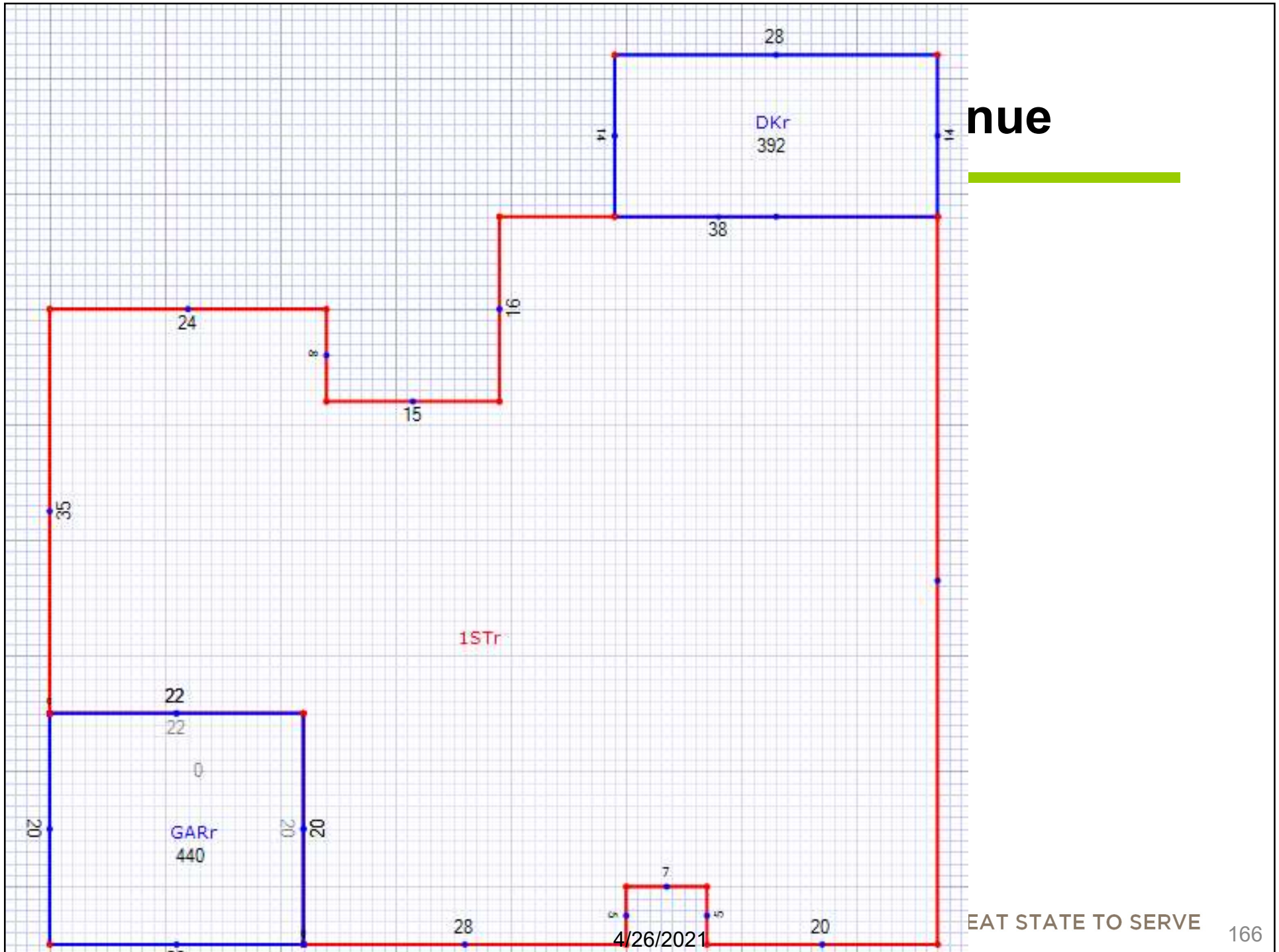
100,000 X 2% = - 2000

100,000 X 5% = - 5000

100,000 - 7000 = 93,000

93,000 X 1.10 = 102,300 FMV

+ Land 25,000 = \$127,300 Total FMV of Property





Georgia Department of Revenue

House Calculation

Base Cost \$58.09 (Includes 5 plumbing fixtures)

1 Additional Fixture @ \$450

1 Rough in @ \$230

Forced Hot and Cool Air @ \$3 per sq ft

Hardwood Floors @ \$4.50 per Sq Ft

Fireplace @ \$4000

Entry Patio @ \$15 per sq ft

Gar @ \$25

Wood Deck @ \$8

Note: Each Form of Depreciation should be calculated from RCN

Physical Depreciation @ 2%

Functional Obsolescence @ 1%

Location/Neighborhood Modifier for structure being on Lake of 20%

Land Value 40,000 (lake front lot)

SSRatio	4	5	6	7	8	9	10	11	12	13	14
Factor	1.32	1.19	1.11	1.04	1.00	0.97	0.94	0.92	0.90	0.89	0.87



Georgia Department of Revenue

Calculate the Square Footage of This Residence, Garage, and Open Porch and price each item listed below.

Very good 1st, Masonry Veneer

Gar \$25 per sq ft

Base cost 75.41

Op \$7 per sq ft

Heat Pump 2.07

Land Value 40,000

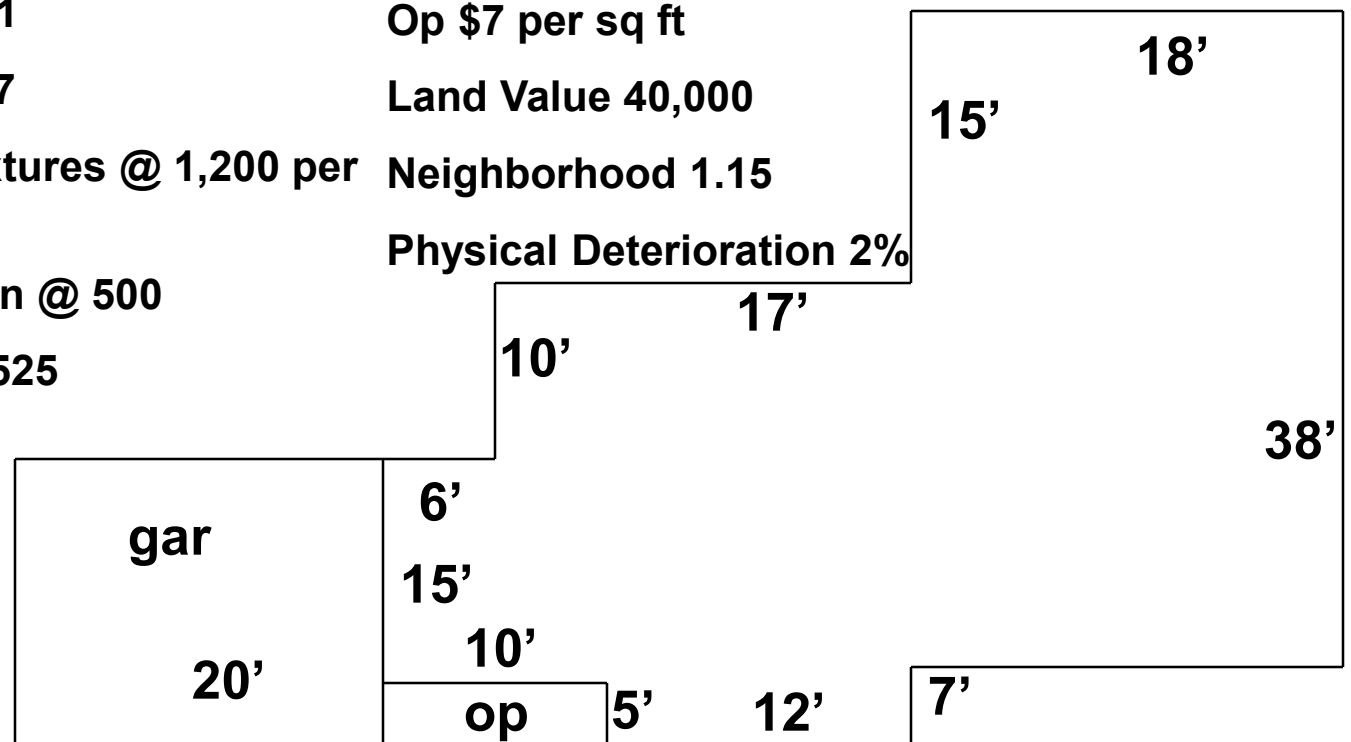
4 Additional fixtures @ 1,200 per fixture

Neighborhood 1.15

1 Extra rough-in @ 500

Physical Deterioration 2%

Range/oven 1,525



SSRatio	4	5	6	7	8	9	10	11	12
Factor	1.32	1.19	1.11	1.04	1.00	0.97	0.94	0.92	0.90





Georgia Department of Revenue

Very good 1st, Masonry Veneer

Gar \$25 per sq ft

Base cost 75.41

Op \$7 per sq ft

Heat Pump 2.07

**4 Extra Bath Fixtures @ 1,200 per
fixture**

1 Additional rough-in @ 500

Range/oven 1,525

Subtotal

Neighborhood 1.15

2% Depreciation

Land Value 40,000



Georgia Department of Revenue

CHAPTER 4 - SITE VALUATION, ANALYSIS AND ADJUSTMENTS

- **SITE VALUATION** – The only source of values for sites is the local market inasmuch as land cannot be produced or built like improvements. Land **NEVER** depreciates.



4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

ELEMENTS OF COMPARISON:

- **Qualitative - 5 Elements appraiser should consider in valuing comparables.**
 -
 - 1. **Location, Location, Location**
 - **Most Important**
 - 2. **Economic Trends and Factors**
 - **Financing and growth of community**
 - 3. **Date of Sale**
 - 4. **Physical Characteristics**
 - **Topo, water, View, other**
 - 5. **Condition of sale (arm's length, Foreclosure Resales, Distressed sales.)**



Georgia Department of Revenue

UNITS OF COMPARISON:

- **Quantitative - 5 elements for land valuation.**
- **Market analysis determines which method to use.**
 1. Front Foot
 2. Square Foot
 3. Acre and Section
 4. Site (Lots)
 5. Units Buildable



Georgia Department of Revenue

Subdivision / Neighborhood

SUBDIVNAME	SUBDIVCODE	CALCMETHOD	UNITVALUE	EXUNITS	EXFACTOR	DEPTHTBL
MO-2 < 1.00 AC	397	2	10000.00	0.00	0.00	0
MO-2 > 6 ACS	400	2	2000.00	0.00	0.00	0
MO-2-W/FF	395	1	250.00	0.00	0.00	0
MO-2-W/SF	396	3	3.00	0.00	0.00	0
MOLLIE VINCENT EST	501	2	2500.00	0.00	0.00	0
MOONSHINE MTN >2AC	257	2	2500.00	0.00	0.00	0
MOONSHINE MTN/AC0-2	256	2	8000.00	0.00	0.00	0
MOONSHINE MTN/FF	255	1	70.00	0.00	0.00	0
MORG HWOOD ACS >3ACS	526	2	4000.00	0.00	0.00	0
MORGANTON PT-C85.00	60	1	85.00	0.00	0.00	0
MORGANTON PT-R35.00	59	1	35.00	0.00	0.00	0
MORGNTON HRDWOOD ACS	525	2	7500.00	0.00	0.00	0
MOUNTAIN ST-C128.00	35	1	128.00	0.00	0.00	0
MOUNTAIN ST-R51.00	32	1	51.00	0.00	0.00	0
MOUNTAIN VIEW S/D	297	2	19500.00	0.00	0.00	0

Information

Name

Unit Value

Default Depth

Excessive Units

None

Excessive Adj Factor

Valuation Method

☒ Front Foot (1)

☐ Square Foot (3)

☐ Acres (2)

☐ Lot / Unit (4)



4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Front Foot Example

- a comparable lot sold for \$25,000
- the lot fronts on a street 100 ft
- the lot has a depth of 200 ft
- standard DEPTH OF LOTS IS 200 FT
- calculate the price per front foot ?
- $\$25,000 / 100' =$
- \$250 per front foot
- What is the value of a subject lot that fronts on the street 180'?
- $180' \times \$250 \times 1.00 \text{ depth factor} = \45000



Georgia Department of Revenue

SQUARE FOOT EXAMPLE

- Subject consists of 20,000 sq feet
- Comparable sales indicate 50 cents per sq ft. for this type of property.
- What is the value of subject property ?
- $20,000 \times \$0.50 = \$10,000$



Georgia Department of Revenue

ACRE AND SECTION EX.

- **150 Acres sold for \$260,000**
- **What is the price per acre if all one productivity class of land?**
- **$((\$260,000 - 60,000 \text{ Timber Value}) / 150)$
ac = \$1,333 per acre**



Georgia Department of Revenue

Site or Lot

- A planned unit subdivision contains 25 lots of similar size, shape, and topography. Five of these Lots have sold within the last 2 months as follows:
 - Lot 22 sold for \$14,550
 - Lot 18 sold for \$15,330
 - Lot 12 sold for \$ 14,700
 - Lot 9 sold for \$15,100
 - Lot 5 sold for \$14,800
 - Value all lots at \$15,000



Georgia Department of Revenue

UNITS BUILDABLE EXAMPLE

- A comparable sold for \$800,000
- zoning allows 40 units per acre
- What is the price per unit ?
- $\$800,000 / 40 = \$20,000$ per unit
- Zoning allows 60 units per acre on subject property
- What is FMV of Subject ?
- $60 \times \$20,000 = 1,200,000$



Georgia Department of Revenue

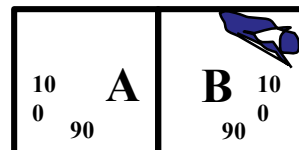
Units Buildable Vs. Square Feet

Sale	Sale Price	Sq. Ft.	Price/ Sq.Ft.	Units	Price/ Unit
1	200,000	200,000	1.00	200	1000
2	225,000	240,000		210	
3	295,000	300,000		290	
4	280,000	300,000		282	
5	175,000	160,000		160	
6	275,000	288,000		275	



Georgia Department of Revenue

A- Zoning allows density of development 4 story 50 units



B - Zoning allows density of development 4 story 40 units

Main Street

What unit of measure is best to value both lots?

Front Foot

Square foot

Lot or Site

Units Buildable



Georgia Department of Revenue

Land Market Analysis

Which units 1-5 apply to the examples for A-G?

- A. Timberland 50 acres**
- B. Furniture Store and Auto Dealership**
- C. PUD – Planned Unit Subdivision (All lots of similar shape & size)**
- D. Large Manufacturing site 25 acres**
- E. Small rural tracts**
- F. Convenience Store and lot**
- G. High Rise 20 Story Apartment complex (Properties that can be developed to a greater degree of density)**

- 1. Front Foot**
- 2. Square Foot**
- 3. Acre & Section**
- 4. Site (Lot)**
- 5. Units Buildable**



Georgia Department of Revenue

CHAPTER 5 - METHODS OF LAND VALUATION

- **Market or Direct Sales Comparison**
- **Cost of Development or Anticipated Use**
- **Allocation and Abstraction**
- Land Residual Capitalization
- Capitalization of Ground Rents



Georgia Department of Revenue

Subdivision / Neighborhood

SUBDIVNAME	SUBDIVCODE	CALCMETHOD	UNITVALUE	EXUNITS	EXFACTOR	DEPTHBL
MD-2 < 1.00 AC	397	2	10000.00	0.00	0.00	0
MD-2 > 6 ACS	400	2	2000.00	0.00	0.00	0
MD-2-W/FF	395	1	250.00	0.00	0.00	0
MD-2-W/SF	396	3	3.00	0.00	0.00	0
MOLLIE VINCENT EST	501	2	2500.00	0.00	0.00	0
MOONSHINE MTN >2AC	257	2	2500.00	0.00	0.00	0
MOONSHINE MTN/AC0-2	256	2	8000.00	0.00	0.00	0
MOONSHINE MTN/FF	255	1	70.00	0.00	0.00	0
MORG HWOOD ACS >3ACS	526	2	4000.00	0.00	0.00	0
MORGANTON PT-C85.00	60	1	85.00	0.00	0.00	0
MORGANTON PT-R35.00	59	1	35.00	0.00	0.00	0
MORGNTON HRDWOOD ACS	525	2	7500.00	0.00	0.00	0
MOUNTAIN ST-C128.00	35	1	128.00	0.00	0.00	0
MOUNTAIN ST-R51.00	32	1	51.00	0.00	0.00	0
MOUNTAIN VIEW S/D	297	2	19500.00	0.00	0.00	0

Information

Name

ADA ST-R26.00

Unit Value

26.00

Default Depth

Excessive Units

0.00

None

Excessive Adj Factor

0.00

Valuation Method

☒ Front Foot (1)

☐ Square Foot (3)

☐ Acres (2)

☐ Lot / Unit (4)

4/26/2021





Georgia Department of Revenue

Making Adjustments Using Units Of Comparison:

- 1. Only make adjustments to comparable, NEVER to the subject**
- 2. Do it on a plus/minus basis**
 - *Two Rules of Thumb for making adjustments area.*
 - *CBS-Comparable better subtract*
 - *CIA-Comparable inferior add*



Georgia Department of Revenue

Making Adjustments Using Units Of Comparison:

**Subject 150 acres, Located on a Mountain in North Ga,
Clear Cut Timberland (not replanted).**

**Sale 1 50 acres, \$100,000 saleprice, Located in Valley,
All Pasture Land. 1 Yr Old sale.**

**Sale 2 148 acres, \$200,000 saleprice, Located in Valley,
Clear Cut Timberland (not replanted). Current year Sale.**

Inflation 4% per year

Mountain property commands 5% more than Valley.

Timberland command 10% more than pasture.

Which sale is the best sale to use for the subject price and

What is the subject value.



Georgia Department of Revenue

EXAMPLE OF A GRID FOR SALES COMPARISON PROBLEMS.

SUBJ		SALE 1	SALE 2	SALE 3	SALE 4
	SP				
	ACRES				
	PR/Acre				
	Sale Date TIME				
	TIME ADJ PR / ACRE				
	FACTOR 1				
	FACTOR 2				
	NET ADJ				



Georgia Department of Revenue

Land Sales Comparison Form



Adobe Acrobat
Document



Adobe Acrobat
Document



Georgia Department of Revenue

CBS CIA Time 4% T10%>P M5%>V

<i>Subject</i>	<i>Factors</i>	<i>Sale1</i>	<i>Sale2</i>
	<i>Sale Price</i>	<i>100,000</i>	<i>200,000</i>
<i>150</i>	<i>Acres</i>	<i>50</i>	<i>148</i>
	<i>Date sale</i>	<i>1 year</i>	<i>Current</i>
	<i>Price/acre</i>	<i>2,000</i>	<i>1,351</i>
	<i>Tm Adj</i>	<i>4%x1year old +.04</i>	<i>No Adjustment Current</i>
	<i>Tm Adj/ac</i>	<i>2,000x.04=80 2,000+80=2,080</i>	<i>1,351</i>
<i>Mountain</i>	<i>Location</i>	<i>Valley CIA + .05</i>	<i>Valley CIA + .05</i>
<i>Timberland</i>	<i>Topography</i>	<i>Pasture CIA + .10</i>	<i>No Adjustment Timberland-----</i>
	<i>Net Adustjment</i>	<i>+.15</i>	<i>+.05</i>
	<i>Adjusted Pr/Ac</i>	<i>2,080x .15= + 312 2,080+312=2,392</i>	<i>1,351x .05= + 68 1,351+68=1,419</i>

Sale #2 has the least number of adjustments.

150 acs x 1,419 = 212,850 value of subject.

4/26/2021

A GREAT STATE TO SERVE





Georgia Department of Revenue

BASE LOT METHOD

Sale #	Size	Location	Sale Price
1	200 x 250	Interior	\$25,000
2	200 x 250	Interior	\$26,000
3	200 x 250	Interior	\$27,000
4	300 x 250	Interior	\$35,750
5	200 x 250	Lake	\$40,000
6	300 x 250	Lake	\$49,000

- Residential land in a given neighborhood tends to sell on a per lot basis except for lots with excessive width, which sell slightly higher. Location also affects prices.
 - The base lot is a standard size interior lot.
1. Estimate the appropriate adjustments for excessive width, and location (lake).
 2. Adjust the sales to the base lot and determine the base lot value.
 3. Using the base lot method, what would be the indicated value of a lot with excess width located on the lake?



Georgia Department of Revenue

Sale #	Size	Location	Sale Price
1	200 x 250	Interior	\$25,000
2	200 x 250	Interior	\$26,000
3	200 x 250	Interior	\$27,000
4	300 x 250	Interior	\$35,750
5	200 x 250	Lake	\$40,000
6	300 x 250	Lake	\$49,000

- Base Lot Value Range \$25,000 to \$27,000. Use \$26,000 for the Base Lot



Georgia Department of Revenue

Sale #	Size	Location	Sale Price
1	200 x 250	Interior	\$25,000
2	200 x 250	Interior	\$26,000
3	200 x 250	Interior	\$27,000
4	300 x 250	Interior	\$35,750
5	200 x 250	Lake	\$40,000
6	300 x 250	Lake	\$49,000

- Base Lot Value Range \$25,000 to \$27,000. Use \$26,000 for the Base Lot

- Excessive Width – Compare Sale #4 with Sales #1 - 3

Sale #	Sale #4	Sale Price
1	\$35,750 - \$25,000	= \$ 10,750
2	\$35,750 - \$26,000	= \$ 9,750
3	\$35,750 - \$27,000	= \$ 8,750

- Lake View – Compare Sale #5 with Sales # 1 - 3

1	\$40,000 - \$25,000	= \$ 15,000
2	\$40,000 - \$26,000	= \$ 14,000
3	\$40,000 - \$27,000	= \$ 13,000

- Indicated Base Lot Value analyzing 1,2,3 that are similar \$ 26,000
- Indicated adjustment for Excessive Width + \$ 9,750
- Indicated adjustment for Location (Lake) + \$ 14,000
- Value of Excessive Width interior lot \$ 26,000 + \$9,750 = \$ 37,750
- Value of Excessive Width/Location Lake \$26,000 + \$23,750 (**9,750+14,000**) = \$ 49,750



Georgia Department of Revenue

LAND DEVELOPMENT OR ANTICIPATED USE METHOD

- **Employs the principle of SURPLUS PRODUCTIVITY - net income remaining after the 4 agents of production (labor, management, capital, land)**
- **Income earned by the land**



Georgia Department of Revenue

ANTICIPATED USE PROBLEM:

- An owner has a 50 acre tract of land
- The tract can be cut into 50 lots
- Local market data shows that lots in the area are worth \$30,000 each
- Discount rate of 12%, projected sell out time 2 years
- Note: Present worth of one factors; at a 12 percent discount rate are .8929 for one year; .7972 for two years;
- Expenses will be incurred in the first year.
- Site Development is \$250,000
- Overhead and Sales Expenses are \$170,000
- Profit, is \$150,000

- What is the Raw Land Value ?
- What is th Raw Land Price per acre ?



Georgia Department of Revenue

ANSWER TO ANTICIPATED USE PROBLEM

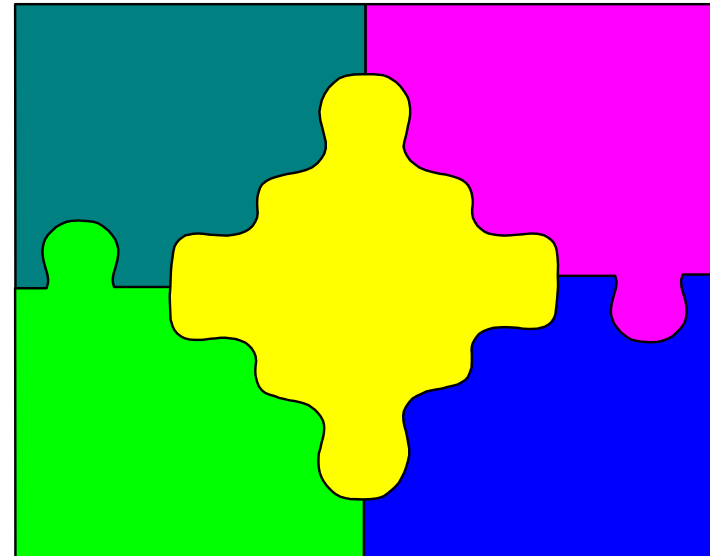
- $25 \text{ lots} \times \$30,000 \times .8929 = \$669,675$
- $25 \text{ lots} \times \$30,000 \times .7972 = \$597,900$
- $\text{Total} = \$1,267,575$
- $\text{Site Develop} \quad - \$250,000$
- $\text{Overhead \& sales} \quad - \$170,000$
- $\text{Profit} \quad - \underline{\$150,000 \text{ fixx the rest of the problem}}$
- $\text{Total Expenses} = \$550,000 \times .8929 = \$491,095$
- $\$1,267,575 - \$491,095 = \$776,480$
- Value per acre
- $\$776,480 / 50 \text{ acres} = \$15,530 \text{ per acre or per lot}$
- $15,530 / \$30,000 = .518 \text{ absorption factor}$



Georgia Department of Revenue

ALLOCATION – Finding Land Value

- **ALLOCATION METHOD** - Separating a comparable sale into it's component parts.
- **Ex. Sale is \$100,000**
- **land to building ratio is 1:4**
- **What is the land value ?**
- **Ratio of 1 to 4 equals 5 total parts**
- **$\$100,000 / 5 = \$20,000$**
- **Convert to Percentage**
- **Land Ratio $1 / 5 = .20$**
- **Building $4 / 5 = .80$**





Georgia Department of Revenue

ALLOCATION – Finding Land Value

- **ALLOCATION METHOD** - Separating a comparable sale into it's component parts.
- **Ex. Sale is \$125,000**
- **land to building ratio is 1:4**
- **What is the land value ?**



Georgia Department of Revenue

ALLOCATION – Finding Land Value

- **ALLOCATION METHOD** - Separating a comparable sale into it's component parts.
- **Ex. Sale is \$235,000**
- **land to building ratio is 1:6**
- **What is the land value ?**
- **What is the Land Ratio Percentage?**



Georgia Department of Revenue

ALLOCATION – Finding Ratio

- **ALLOCATION METHOD** - Separating a comparable sale into it's component parts.
- **Ex. Sale is \$200,000**
- **land value is \$50,000**
- **What is the land to building ratio ?**
- **What is the land ratio only?**
- **$\$200,000 / \$50,000 = 4$ total parts 1 + 3**
- **1 part land 3 parts building**
- **1:3 ratio**
- **$1 / 4 = .25$ land ratio**
- **$3 / 4 = .75$ bldg ratio**



Georgia Department of Revenue

ALLOCATION – Finding Ratio

- **ALLOCATION METHOD** - Separating a comparable sale into it's component parts.
- **Ex. Sale is \$150,000**
- **land value is \$30,000**
- **What is the land to building ratio ?**



Georgia Department of Revenue

ALLOCATION – Finding Ratio

- **ALLOCATION METHOD** - Separating a comparable sale into it's component parts.
- **Ex. Sale is \$350,000**
- **land value is \$30,000**
- **What is the land to building ratio?**
- **What is the land ratio only?**



Georgia Department of Revenue

Allocation – Finding Ratio

- **Sale Price = 300,000**
- **Land Value = 75,000**
- **What is land to building ratio?**
- **What is land ratio only?**



Georgia Department of Revenue

ABSTRACTION METHOD

- Employs the elements of the cost approach
- It involves subtracting out the cost of improvements
- What is leftover is land value
- Ex. Value of property from sale \$70,000
- - Est. RCN of building \$60,000
 - Accrued depreciation \$8,000
 - Est. Value of Improvements - \$52,000
- Indicated site or land value \$18,000



Georgia Department of Revenue

Abstraction

- **Sale Price = 250,000**
- **RCN = 210,000**
- **Depreciation=9,000**
- **What is land value?**



Georgia Department of Revenue

Abstraction

- **Sale Price = 325,000**
- **RCN = 310,000**
- **Depreciation=4,000**
- **What is land value?**



Georgia Department of Revenue

Abstraction

- **Sale Price = 135,000**
- **RCN = 128,000**
- **Depreciation=7,000**
- **What is land value?**



Georgia Department of Revenue

Formulas, Tables, Rules & Valuing Odd Shaped Lots

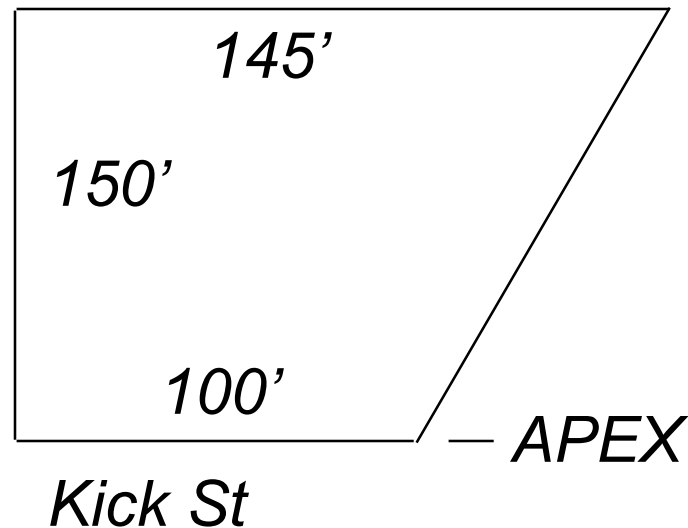
- **65-35 Rule =**
- **If odd shaped lot**
- **and apex (Point) of the triangle is on the front of the lot**
- **then , the value is multiplied by 35%**
- **If apex (point) of triangle is on the back of the lot**
- **then, value is multiplied by 65%**



Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$50 standard depth 150'

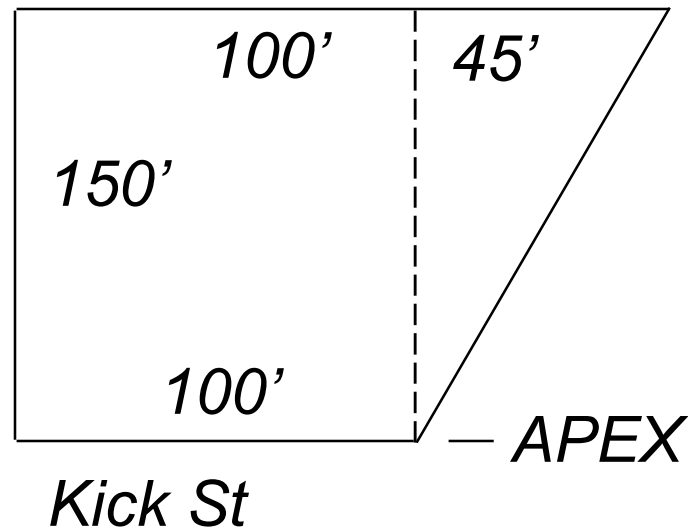




Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$50 standard depth 150'

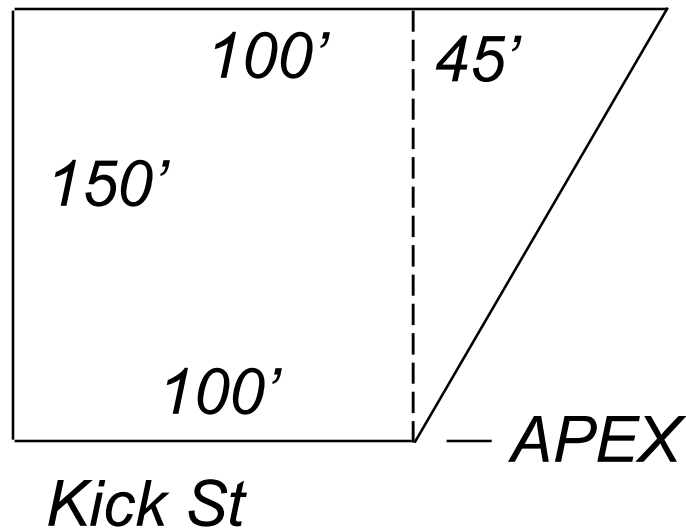




Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$50 standard depth 150'



$$100 \times 50 = \$5000$$

$$45 \times 50 \times .35 = \underline{\$788}$$

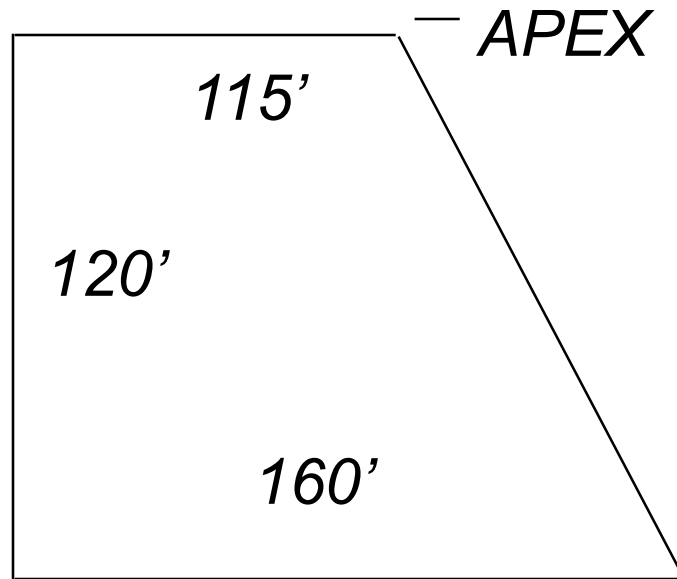
$$\text{total lot val} = \mathbf{\$5788}$$



Georgia Department of Revenue

Value lot using the 65-35 rule

Front Foot Price is \$75 standard depth 120'



Hilton Road

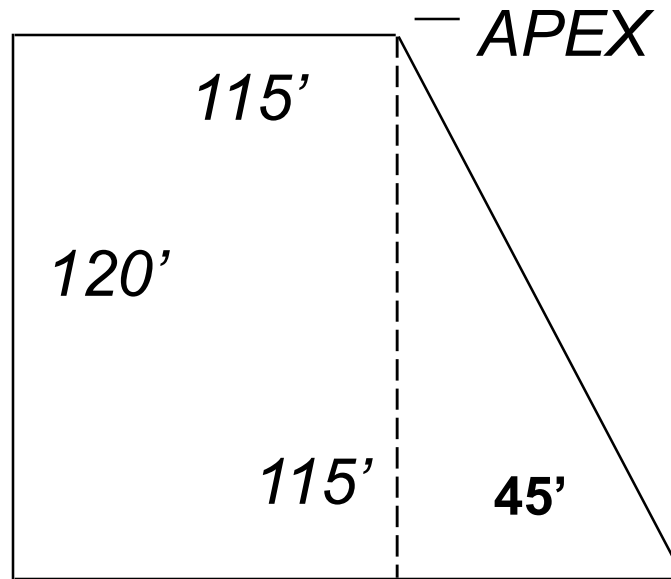
What is the Value of the subject lot ?



Georgia Department of Revenue

Value lot using the 65-35 rule

Front Foot Price is \$75 standard depth 120'



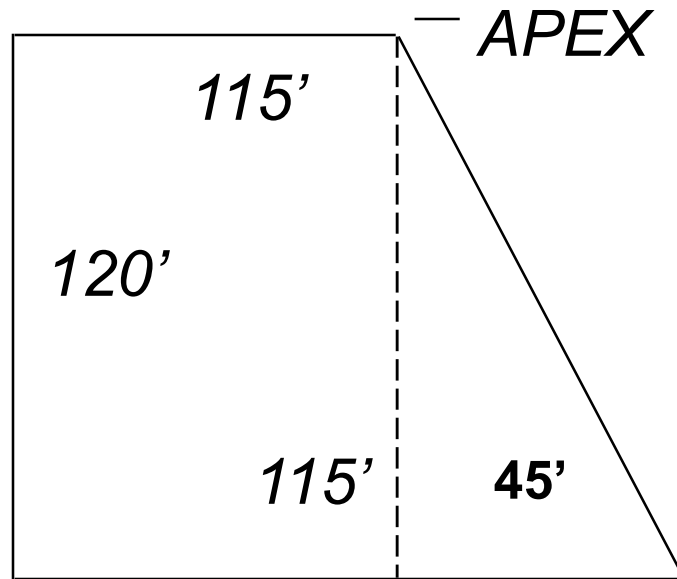
What is the value of the subject Lot?



Georgia Department of Revenue

Value lot using the 65-35 rule

Front Foot Price is \$75 standard depth 120'



$$115 \times \$75 = \$8625$$

$$45 \times \$75 \times .65 = \underline{\$2194}$$

$$\text{total lot val} = \mathbf{\$10,819}$$

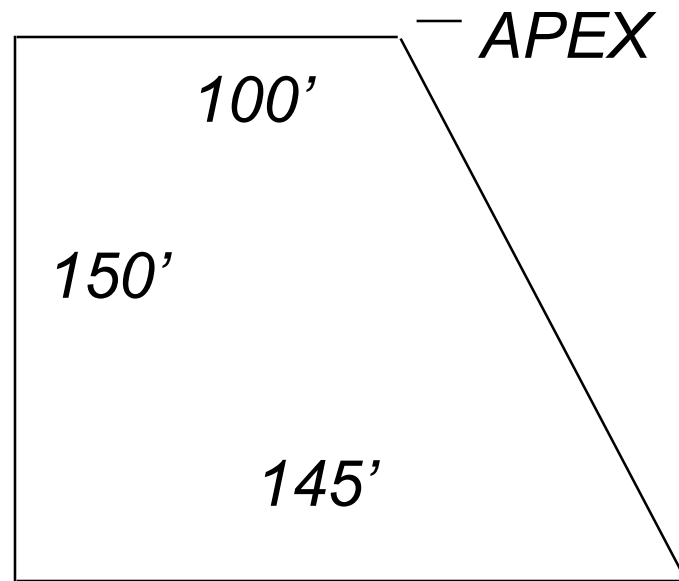
What is the value of the subject Lot?



Georgia Department of Revenue

Value lot using the 65-35 rule

Front Foot Price is \$50 standard depth 150'



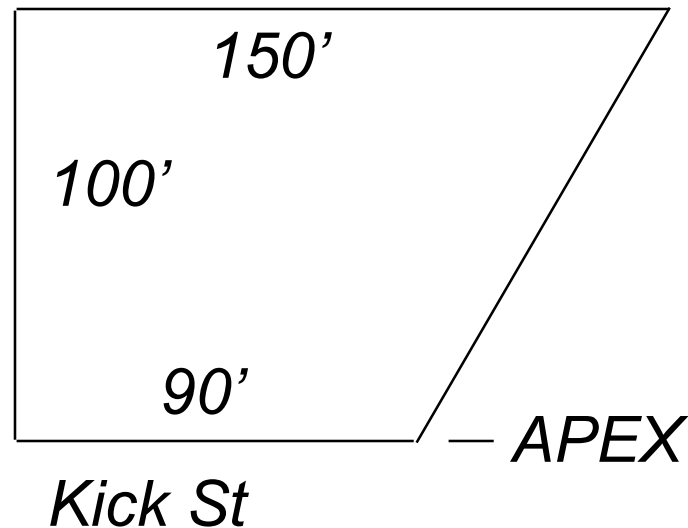
Hilton Road



Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$95 standard depth 100'

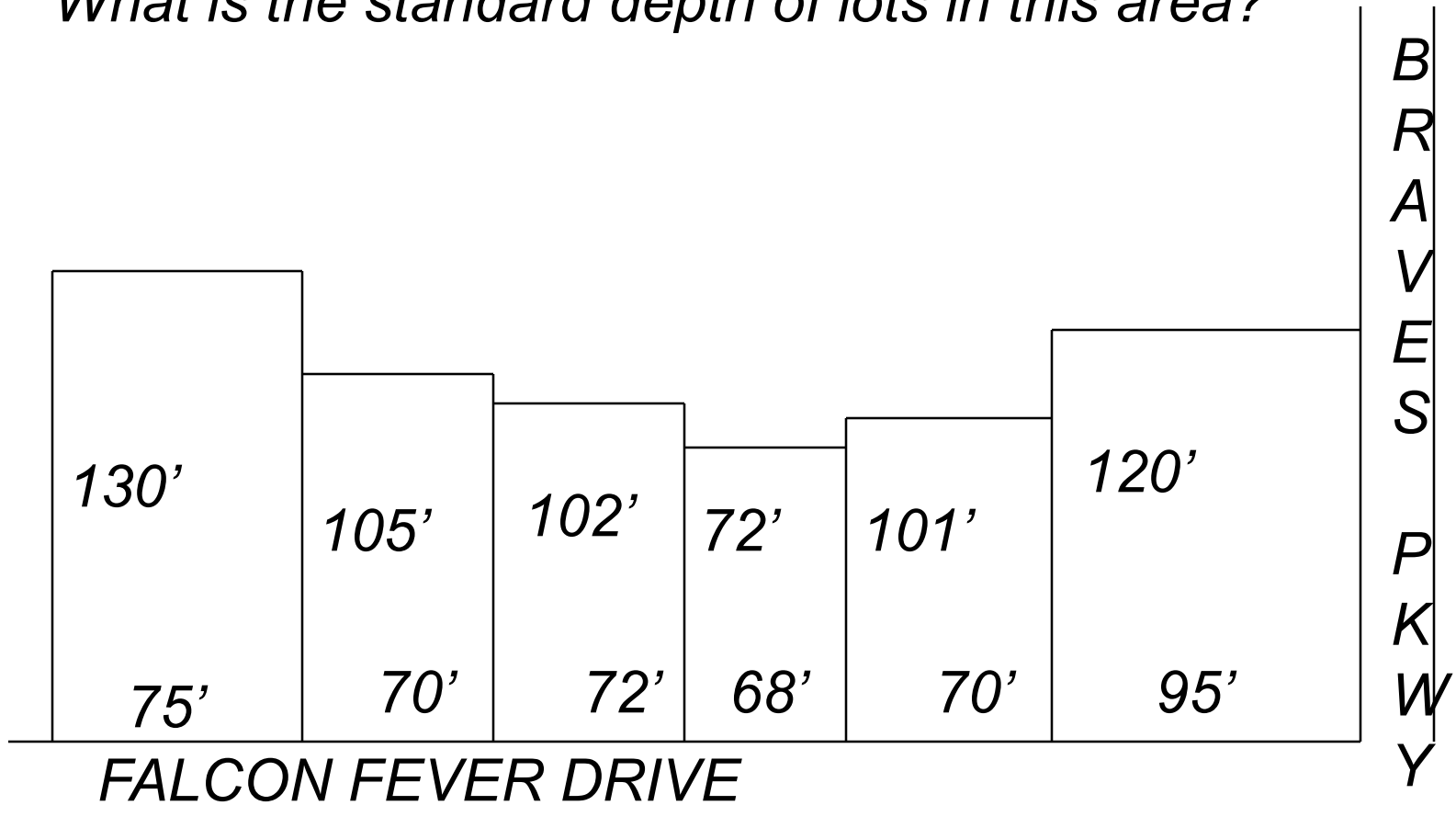




Georgia Department of Revenue

Standard Depths

What is the standard depth of lots in this area?

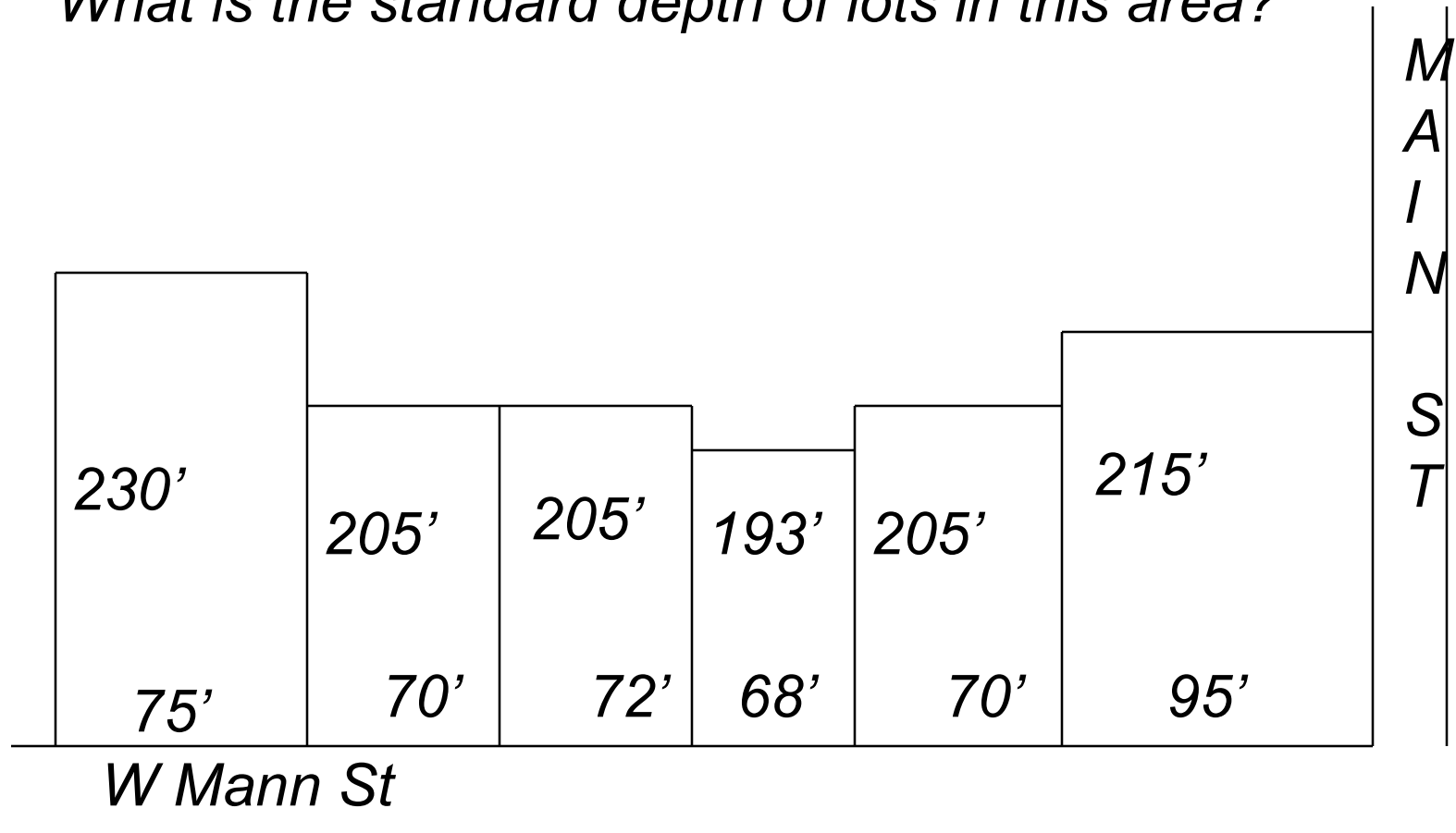




Georgia Department of Revenue

Standard Depths

What is the standard depth of lots in this area?

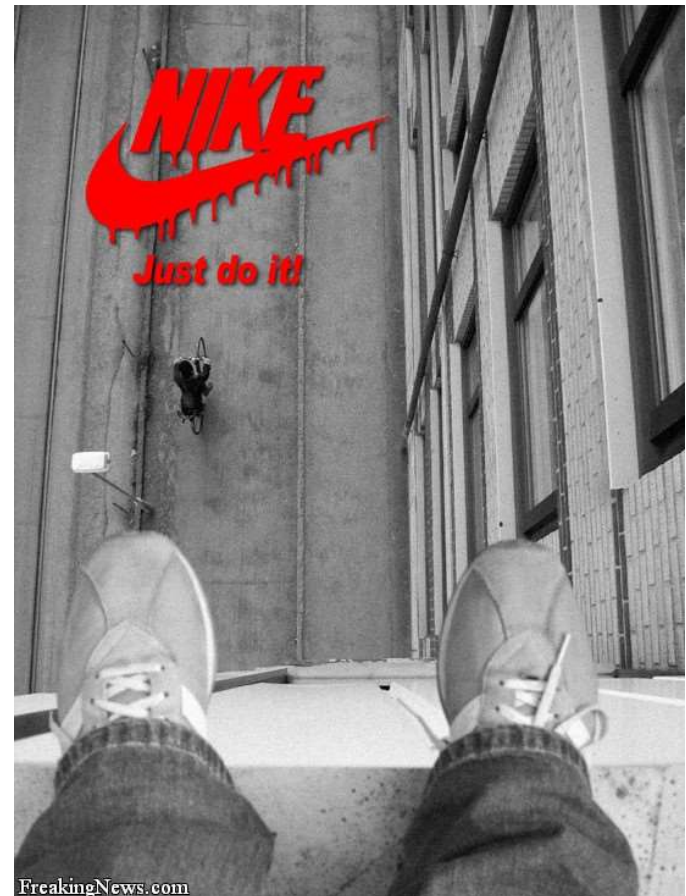




Georgia Department of Revenue

Market Influences For Depth

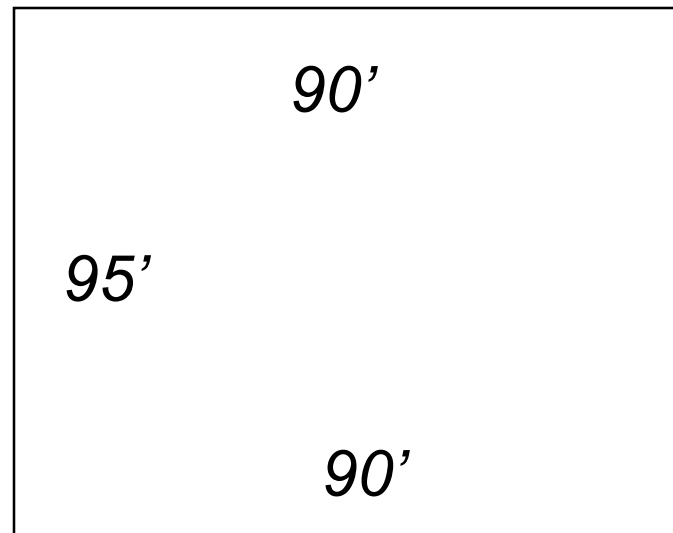
- Sales may show a specific percentage adjustment based on increments.





Georgia Department of Revenue

Market Adjustment for Depth
Front foot price is \$55 standard depth 100'



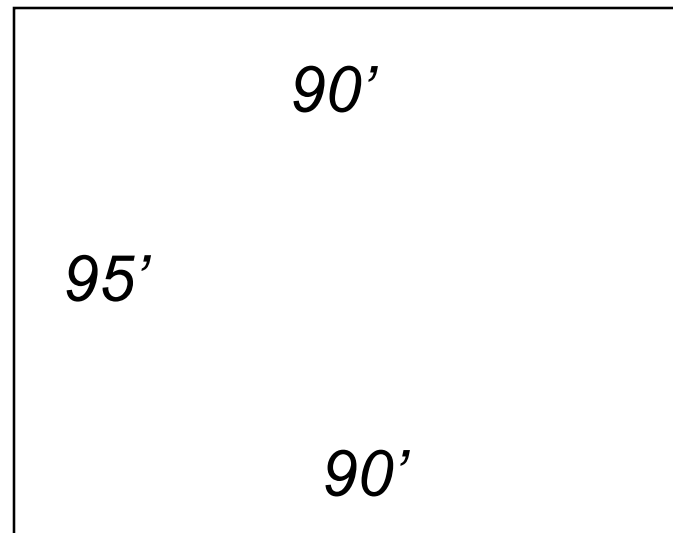
Kick St

THERE IS A 10% DECREASE FOR EVERY 5 FEET BELOW standard DEPTH. WHAT IS THE DEPTH FACTOR and VALUE of LOT?



Georgia Department of Revenue

Market (Jump) Adjustment for Depth
Front foot price is \$55 standard depth 100'



Kick St

$$\text{SD } 100' - 95' = 5'$$

$$5' / 5' = 1 \text{ Jump}$$

$$1 \times 10\% = 10\%$$

$$\text{SDF } 1.00 - .10 = .90 \text{ DF}$$

$$90 \times \$55 = \$4950$$

$$\text{Depth factor } \times .90$$

$$\text{Total lot val} = \$4,455$$

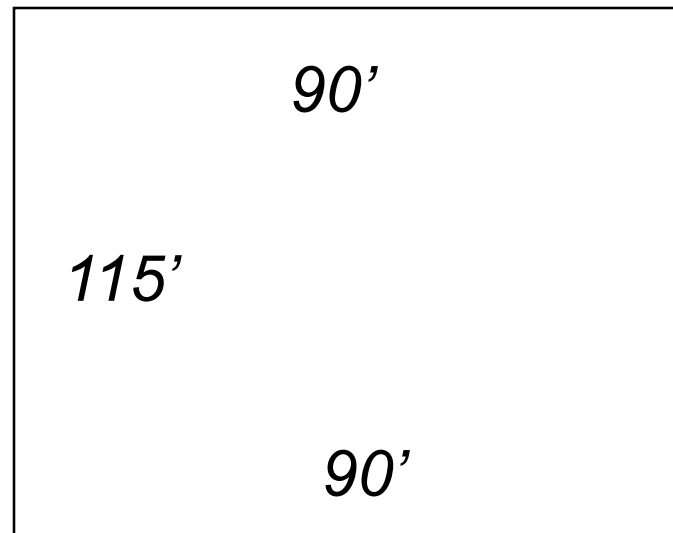
THERE IS A 10% DECREASE FOR EVERY 5 FEET BELOW standard DEPTH. WHAT IS THE DEPTH FACTOR and VALUE of LOT?



Georgia Department of Revenue

Market Adjustment for Depth

Front foot price is \$75 standard depth 100'



Kick St

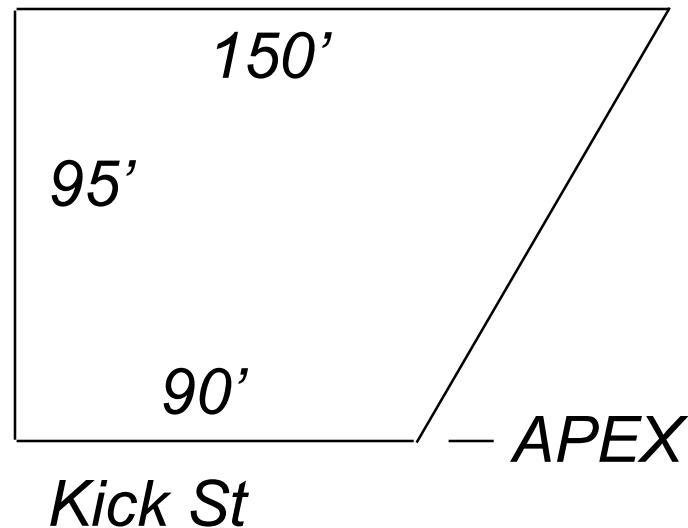
THERE IS A 3% Increase or Premium FOR EVERY 5 FEET Above standard DEPTH. WHAT IS THE DEPTH FACTOR and VALUE of LOT?



Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$55 standard depth 100'

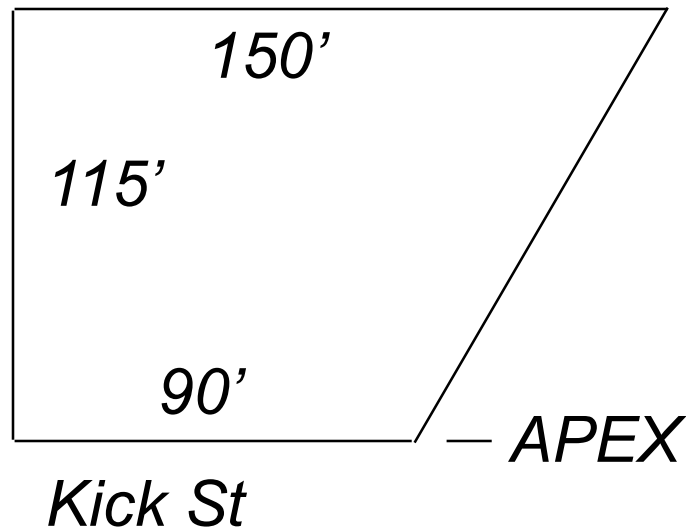


THERE IS A 10% DECREASE FOR EVERY 5 FEET BELOW standard DEPTH. WHAT IS the DEPTH FACTOR and VALUE of LOT?



Georgia Department of Revenue

Value lot using the 65-35 rule
Front foot price is \$55 standard depth 100'



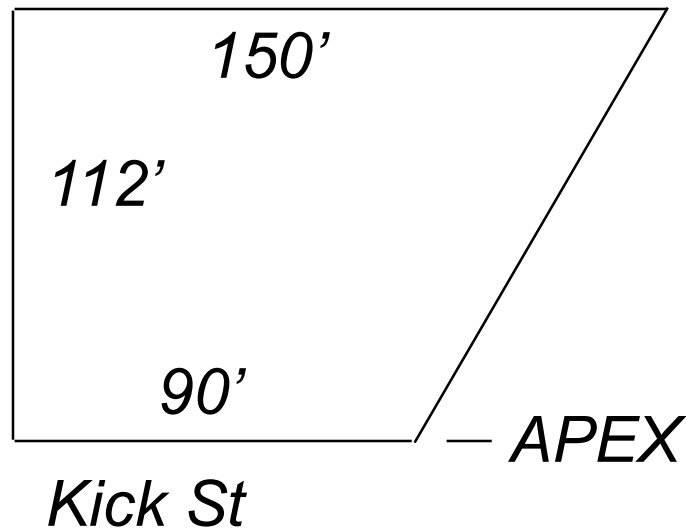
**THERE IS A 3% PREMIUM INCREASE FOR EVERY 5 FEET ABOVE
standard DEPTH. WHAT IS THE DEPTH FACTOR and VALUE of LOT?**



Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$55 standard depth 100'

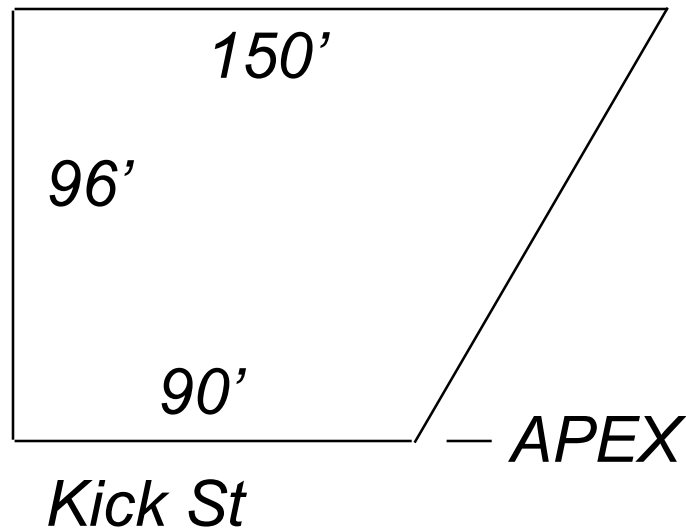


**THERE IS A 4% PREMIUM INCREASE FOR EVERY 4 FEET ABOVE
standard DEPTH. WHAT IS THE DEPTH FACTOR and VALUE of LOT?**



Georgia Department of Revenue

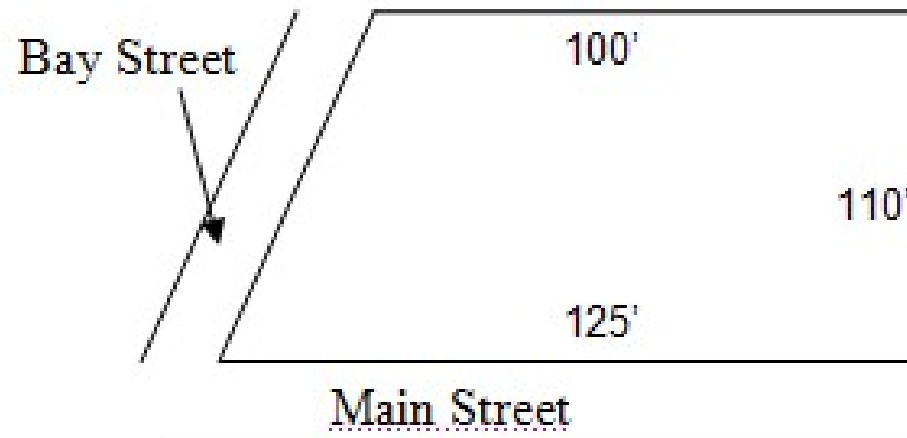
Value lot using the 65-35 rule
Front foot price is \$55 standard depth 100'



THERE IS A 1% DECREASE FOR EVERY 2 FEET BELOW standard DEPTH. WHAT IS THE DEPTH FACTOR AND VALUE OF LOT?



Georgia Department of Revenue



Commercial lots in this area sell for \$160 per front foot. Standard lot depth is 100 feet. There is a 2% premium for each 5 feet of depth over 100 feet. The subject also receives a 5% premium for being a corner lot. Using the above information, what is the value of the subject property (rounded to the nearest \$100)?



Georgia Department of Revenue

CHAPTER 6 - Formulas, Tables, Rules & Valuing Odd Shaped Lots

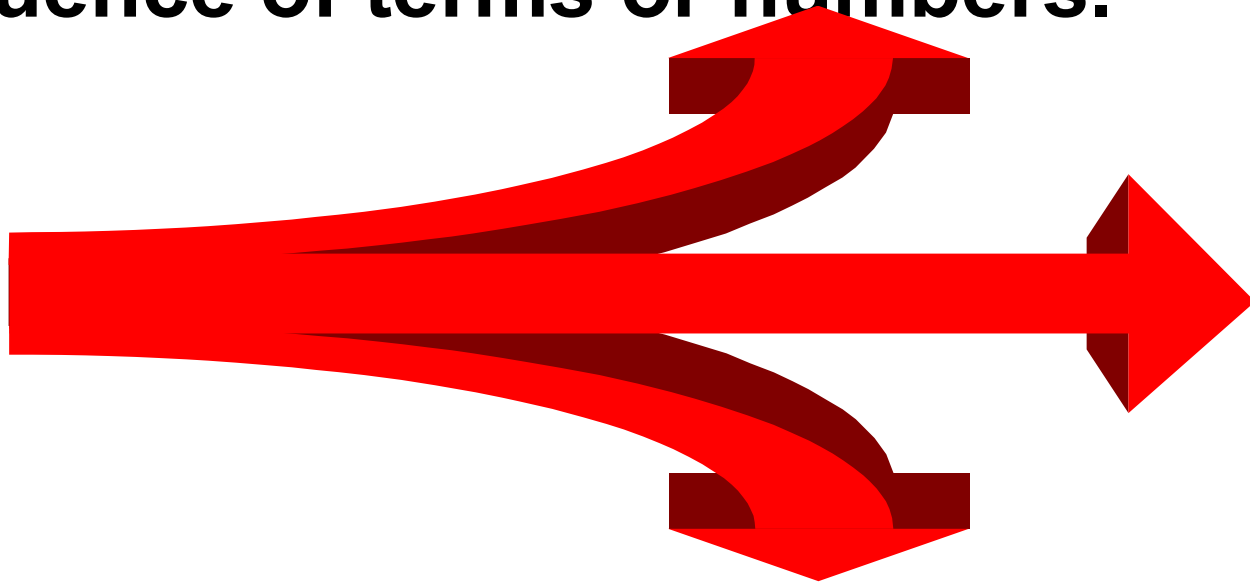
- **4-3-2-1 Rule =**
-
- **40% of the lot value is in the 1st quarter**
- **30% is in 2nd quarter**
- **20% is in the 3rd quarter**
- **10% is in the 4th quarter.**



Georgia Department of Revenue

Interpolation

- **Interpolation is the process of finding intermediate terms or numbers in a sequence of terms or numbers.**



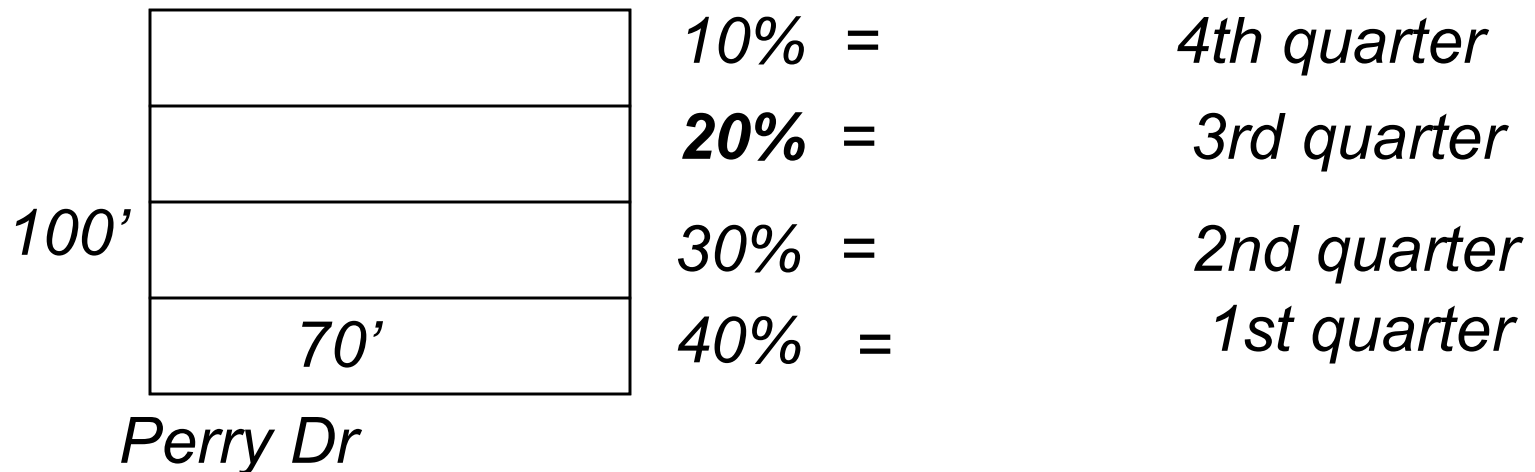


Georgia Department of Revenue

4-3-2-1 Rule Example

Front Foot is \$200

standard depth for lots in area is 100 feet (DF 1.00)



$FF * \$FF * DF$

$70Ft \times \$200 \times 1.00 = \$14,000$

What is the Total Value of the lot?

What is the Value of each quarter of the lot?



Georgia

4/26/2021

A GREAT STATE TO SERVE

252



Georgia Department of Revenue

4-3-2-1 Rule Example

Front Foot is \$200

standard depth for lots in area is 100 feet (DF 1.00)

100'		10% = \$1400	4th quarter
		20% = \$2800	3rd quarter
		30% = \$4200	2nd quarter
	70'	40% = \$5600	1st quarter

Perry Dr

$$FF * \$FF * DF \quad 70Ft \times \$200 \times 1.00 = \$14,000$$

What is the Value of each quarter of the lot?

What is the Value and Percentage of value in the first 75 feet?



Georgia Department of Revenue

4-3-2-1 Rule Example

Front Foot is \$200

standard depth for lots in area is 100 feet

100'		10% =	4th quarter
		20% = \$2800	3rd quarter
		30% =	2nd quarter
	70'	40% =	1st quarter

Perry Dr

$$70\text{Ft} \times \$200 = \$14,000$$

What is the Value of the 3rd quarter of the lot.

What is the Value and Percentage of value in the first 75 feet?

$$.40 + .30 + .20 = .90 * 14,000 = \$12,600$$

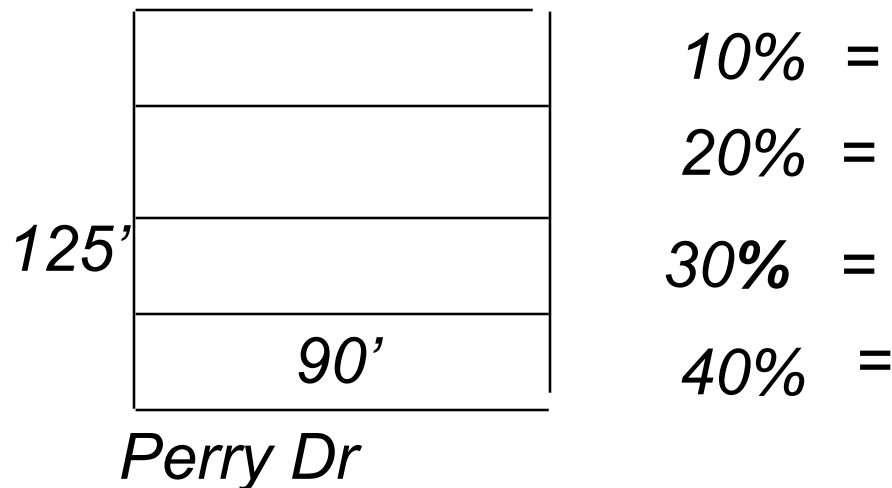


Georgia Department of Revenue

4-3-2-1 Rule Example

Front Foot is \$175

standard depth is 125 feet for lots in area



What is the Value of Each Quarter of this lot.

What is the value and percentage of value in the first

62.50 feet from the street?



Depth	Dfact100	Dfact150	Dfact200	Dfact250	Dfact300
91	0.9640	0.7853	0.6460	0.5368	0.4640
92	0.9680	0.7907	0.6520	0.5416	0.4680
93	0.9720	0.7960	0.6580	0.5464	0.4720
94	0.9760	0.8013	0.6640	0.5512	0.4760
95	0.9800	0.8067	0.6700	0.5560	0.4800
96	0.9840	0.8120	0.6760	0.5608	0.4840
97	0.9880	0.8173	0.6820	0.5656	0.4880
98	0.9920	0.8227	0.6880	0.5704	0.4920
99	0.9960	0.8280	0.6940	0.5752	0.4960
100	1.0000	0.8333	0.7000	0.5800	0.5000
101	1.0036	0.8387	0.7040	0.5848	0.5040
102	1.0072	0.8440	0.7080	0.5896	0.5080
103	1.0108	0.8493	0.7120	0.5944	0.5120
104	1.0144	0.8547	0.7160	0.5992	0.5160
105	1.0180	0.8600	0.7200	0.6040	0.5200
106	1.0216	0.8653	0.7240	0.6088	0.5240
107	1.0252	0.8707	0.7280	0.6136	0.5280
108	1.0288	0.8760	0.7320	0.6184	0.5320



4/26/2021

Depth	Dfact100	Dfact150	Dfact200	Dfact250	Dfact300
142	1.1444	0.9787	0.8680	0.7544	0.6680
143	1.1476	0.9813	0.8720	0.7576	0.6720
144	1.1508	0.9840	0.8760	0.7608	0.6760
145	1.1540	0.9867	0.8800	0.7640	0.6800
146	1.1572	0.9893	0.8840	0.7672	0.6840
147	1.1604	0.9920	0.8880	0.7704	0.6880
148	1.1636	0.9947	0.8920	0.7736	0.6920
149	1.1668	0.9973	0.8960	0.7768	0.6960
150	1.1700	1.0000	0.9000	0.7800	0.7000
151	1.1728	1.0024	0.9020	0.7832	0.7027
152	1.1756	1.0048	0.9040	0.7864	0.7053
153	1.1784	1.0072	0.9060	0.7896	0.7080
154	1.1812	1.0096	0.9080	0.7928	0.7107
155	1.1840	1.0120	0.9100	0.7960	0.7133
156	1.1868	1.0144	0.9120	0.7992	0.7160
157	1.1896	1.0168	0.9140	0.8024	0.7187
158	1.1924	1.0192	0.9160	0.8056	0.7213
159	1.1952	1.0216	0.9180	0.8088	0.7240



4/26/2021

RVE

Depth	Dfact100	Dfact150	Dfact200	Dfact250	Dfact300
190	1.2760	1.0953	0.9800	0.9040	0.8067
191	1.2784	1.0975	0.9820	0.9056	0.8093
192	1.2808	1.0996	0.9840	0.9072	0.8120
193	1.2832	1.1017	0.9860	0.9088	0.8147
194	1.2856	1.1039	0.9880	0.9104	0.8173
195	1.2880	1.1060	0.9900	0.9120	0.8200
196	1.2904	1.1081	0.9920	0.9136	0.8227
197	1.2928	1.1103	0.9940	0.9152	0.8253
198	1.2952	1.1124	0.9960	0.9168	0.8280
199	1.2976	1.1145	0.9980	0.9184	0.8307
200	1.3000	1.1167	1.0000	0.9200	0.8333
201	1.3002	1.1188	1.0018	0.9216	0.8360
202	1.3004	1.1209	1.0036	0.9232	0.8387
203	1.3006	1.1231	1.0054	0.9248	0.8413
204	1.3008	1.1252	1.0072	0.9264	0.8440
205	1.3010	1.1273	1.0090	0.9280	0.8467
206	1.3012	1.1295	1.0108	0.9296	0.8493
207	1.3014	1.1318	1.0126	0.9312	0.8520

Depth	Dfact100	Dfact150	Dfact200	Dfact250	Dfact300
239	1.3078	1.1961	1.0702	0.9824	0.9187
240	1.3080	1.1980	1.0720	0.9840	0.9200
241	1.3082	1.1999	1.0738	0.9856	0.9213
242	1.3084	1.2017	1.0756	0.9872	0.9227
243	1.3086	1.2036	1.0774	0.9888	0.9240
244	1.3088	1.2055	1.0792	0.9904	0.9253
245	1.3090	1.2073	1.0810	0.9920	0.9267
246	1.3092	1.2092	1.0828	0.9936	0.9280
247	1.3094	1.2111	1.0846	0.9952	0.9293
248	1.3096	1.2129	1.0864	0.9968	0.9307
249	1.3098	1.2148	1.0882	0.9984	0.9320
250	1.3100	1.2167	1.0900	1.0000	0.9333
251	1.3102	1.2185	1.0916	1.0014	0.9347
252	1.3104	1.2204	1.0932	1.0029	0.9360
253	1.3106	1.2223	1.0948	1.0043	0.9373
254	1.3108	1.2241	1.0964	1.0058	0.9387
255	1.3110	1.2260	1.0980	1.0072	0.9400
256	1.3112	1.2279	1.0996	1.0086	0.9413



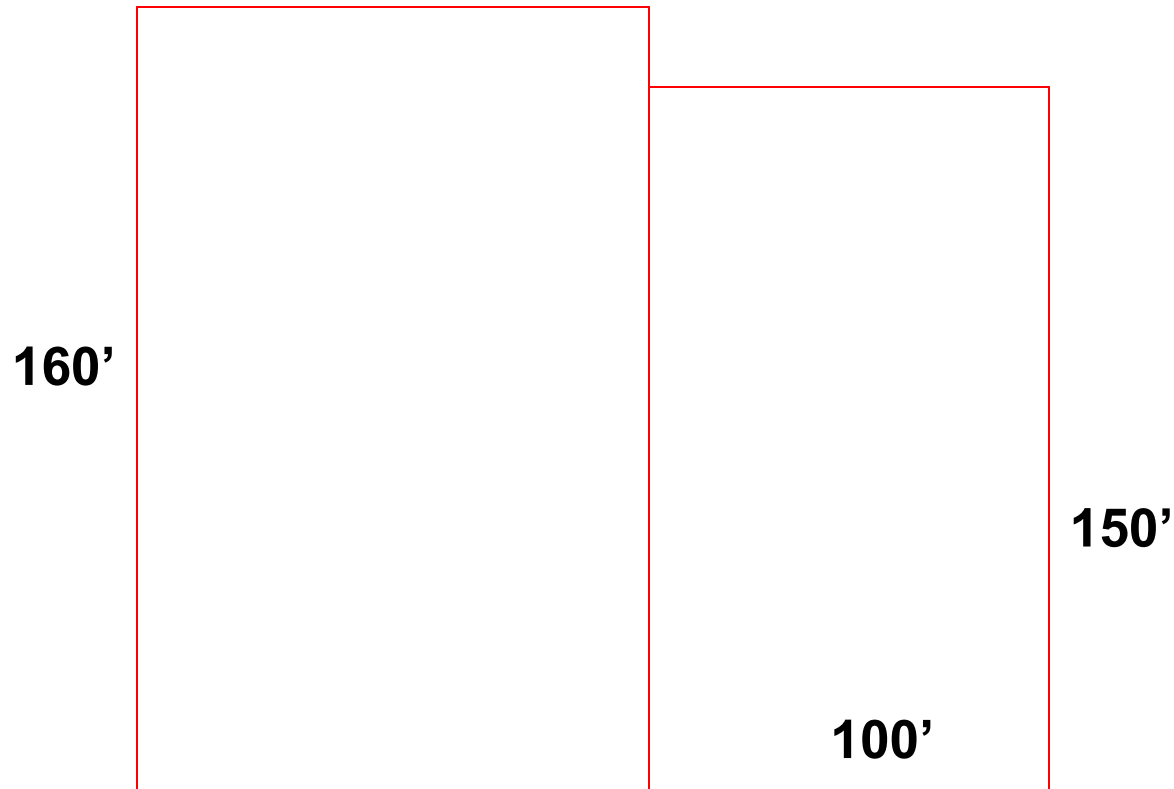
Depth	Dfact100	Dfact150	Dfact200	Dfact250	Dfact300
289	1.3178	1.2824	1.1524	1.0562	0.9853
290	1.3180	1.2840	1.1540	1.0576	0.9867
291	1.3182	1.2856	1.1556	1.0590	0.9880
292	1.3184	1.2872	1.1572	1.0605	0.9893
293	1.3186	1.2888	1.1588	1.0619	0.9907
294	1.3188	1.2904	1.1604	1.0634	0.9920
295	1.3190	1.2920	1.1620	1.0648	0.9933
296	1.3192	1.2936	1.1636	1.0662	0.9947
297	1.3194	1.2952	1.1652	1.0677	0.9960
298	1.3196	1.2968	1.1668	1.0691	0.9973
299	1.3198	1.2984	1.1684	1.0706	0.9987
300	1.3200	1.3000	1.1700	1.0720	1.0000
301	1.3202	1.3002	1.1714	1.0734	1.0012
302	1.3204	1.3004	1.1728	1.0749	1.0024
303	1.3206	1.3006	1.1742	1.0763	1.0036
304	1.3208	1.3008	1.1756	1.0778	1.0048
305	1.3210	1.3010	1.1770	1.0792	1.0060
306	1.3212	1.3012	1.1784	1.0806	1.0072





Georgia Department of Revenue

Standard Depth 160' FF \$ = \$50



Street



What is the Depth Factor for a 150' deep lot?

What is the Value of the subject lot if it is 100 feet wide?

4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 160' FF \$ = \$50

160' 4	40'	.10	30'	30/40=.75x.10=.0750
	40'	.20	40'	+.2000
	40'	.30	40'	+.3000
	40'	.40	40'	+.4000
				.9750 df
				\$50X100ff x .9750=\$4,875
			150'	
			100'	

Street



What is the Depth Factor for a 150' deep lot?

What is the Value of the subject lot if it is 100 feet wide?

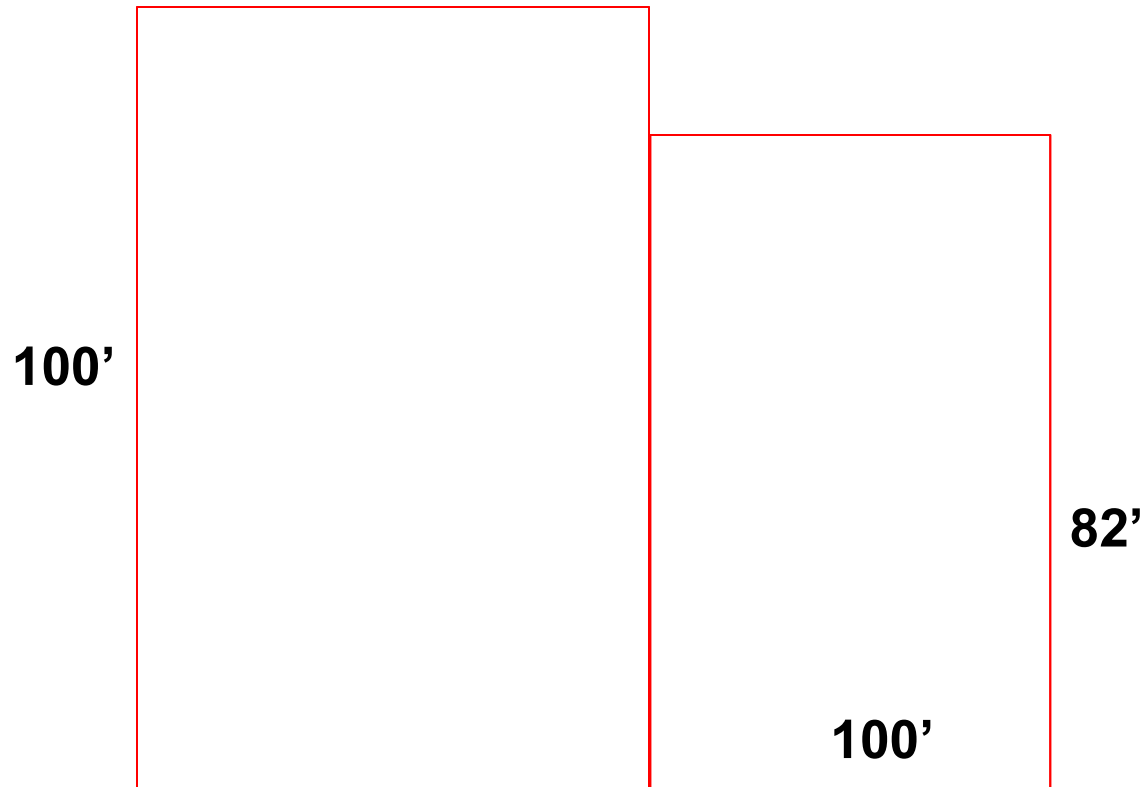
4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 100' FF \$ = \$90



Street

What is the Depth Factor for an 82' deep lot?

What is the Value of the subject lot if it is 100 feet wide?



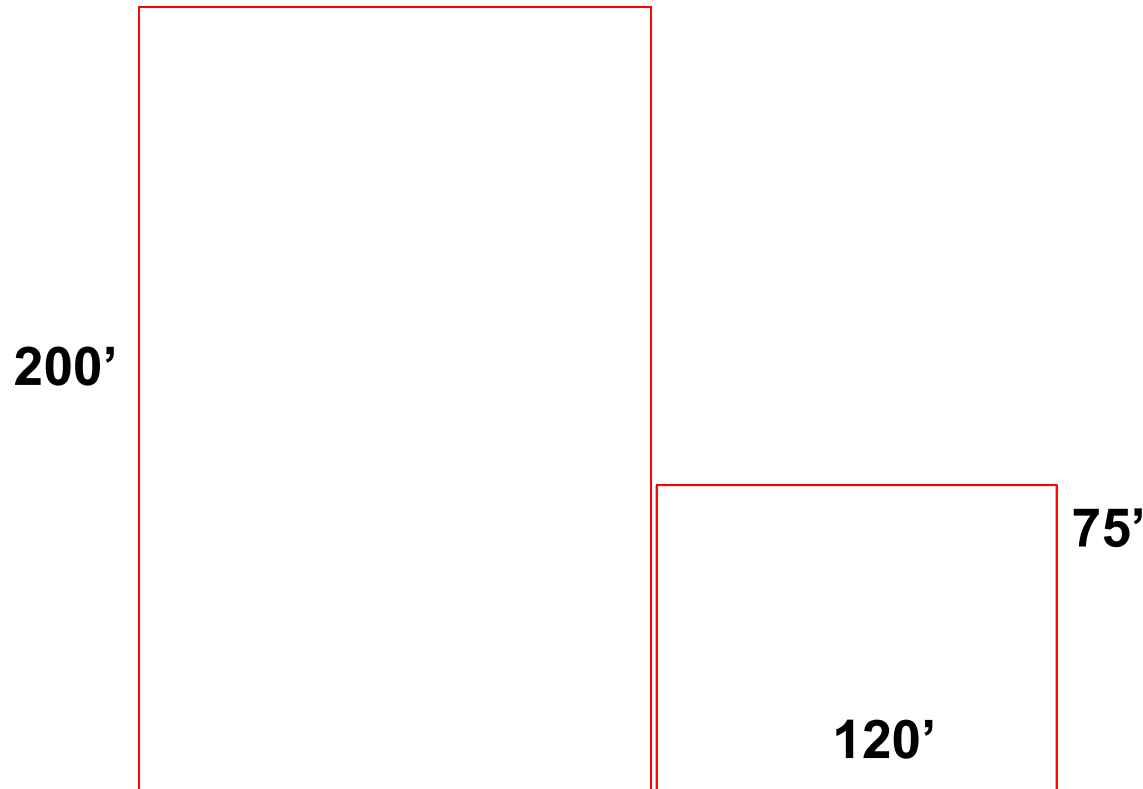
4/26/2021

GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 200' FF \$ = \$50



Street



What is the Depth Factor for a 75' deep lot?

What is the Value of the subject lot if it is 120 feet wide?

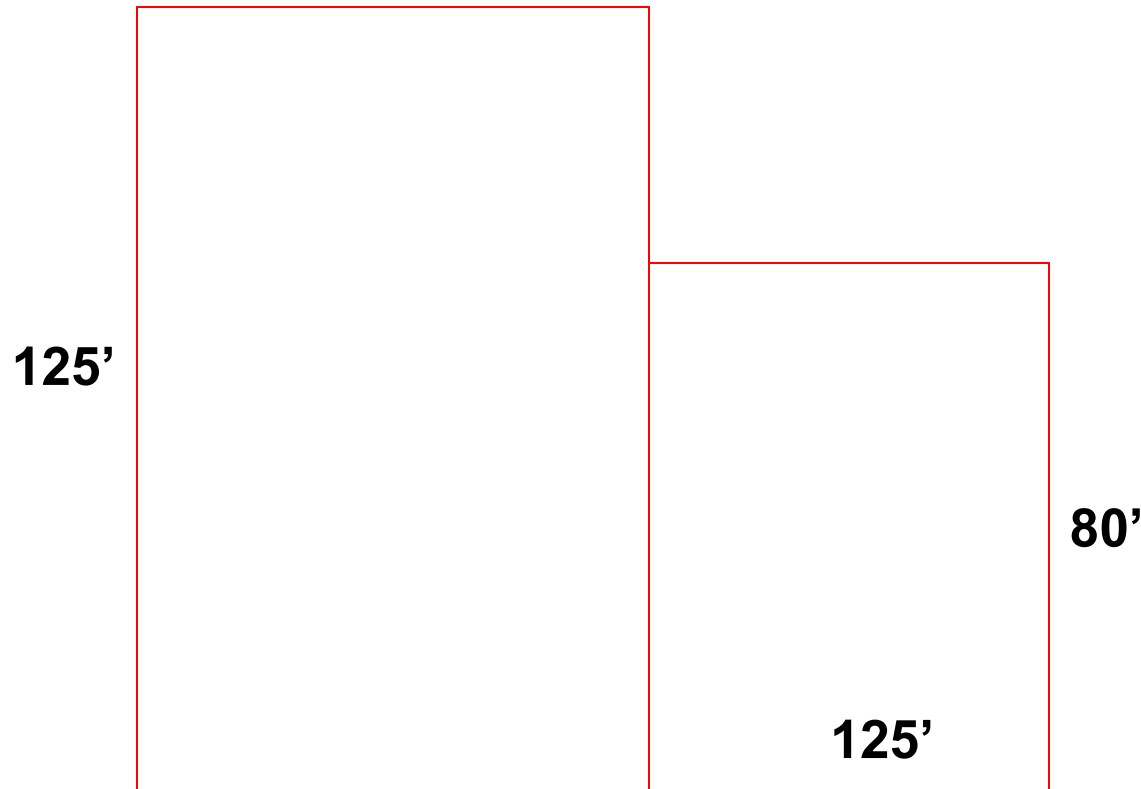
4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 125' FF \$ = \$95



Street



What is the Depth Factor for an 80' deep lot?

What is the Value of the subject lot if it is 125 feet wide?

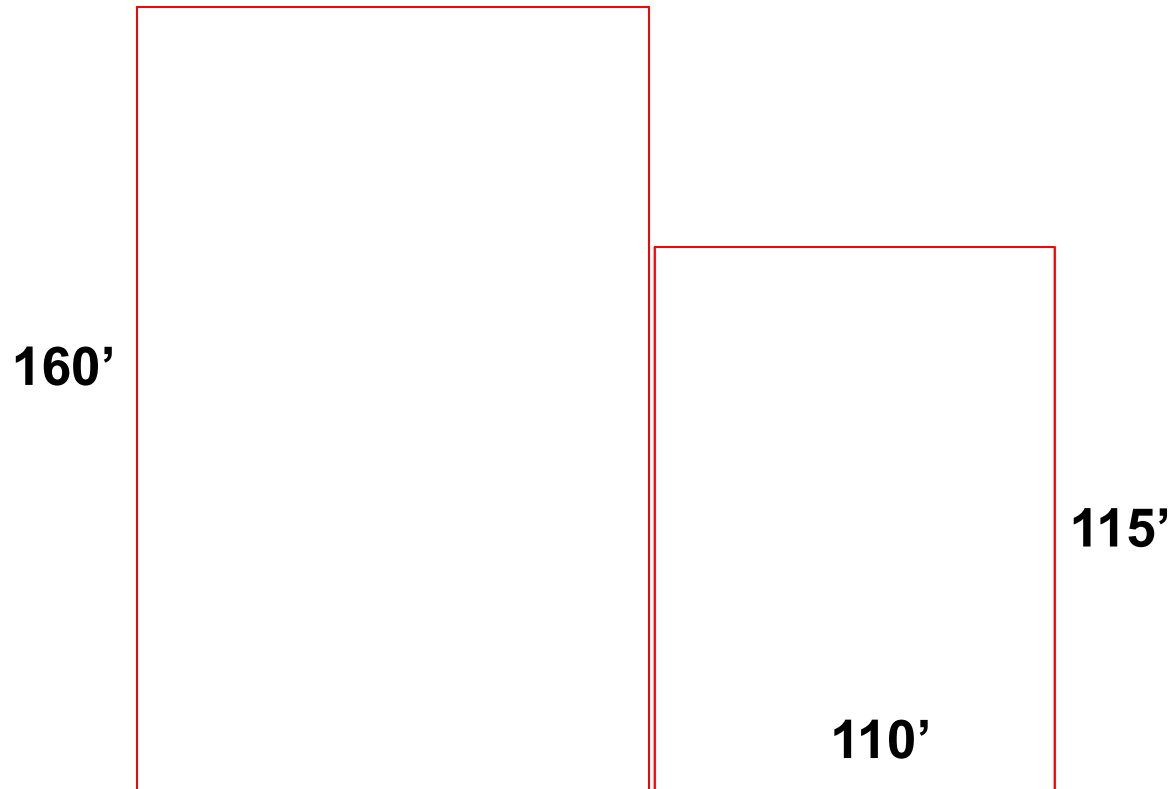
4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 160' FF \$ = \$95



Street



What is the Depth Factor for a 115' deep lot?

What is the Value of the subject lot if it is 110 feet wide?

4/26/2021

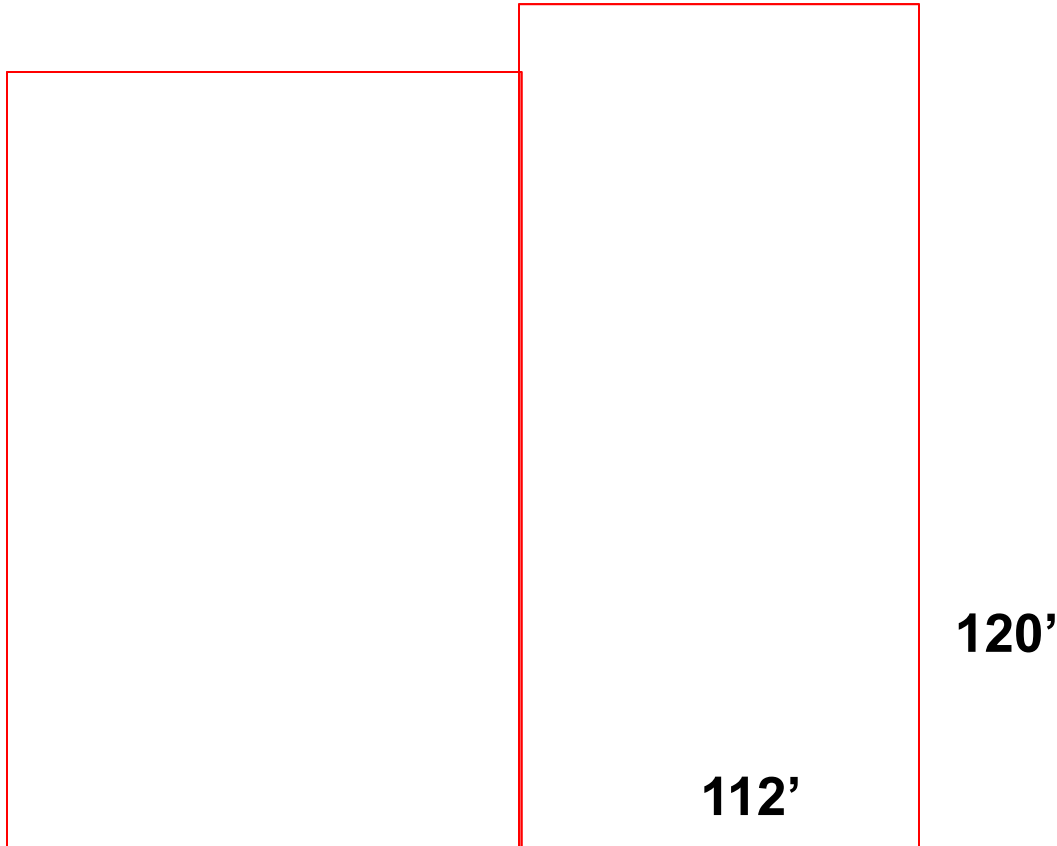
A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 100' FF \$ = \$50

$\frac{100'}{4}$



Street



What is the Depth Factor for a 120' deep lot?

What is the Value of the subject lot if it is 112 feet wide?

4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 100' FF \$ = \$50

25' Ghost	.09	20'
25'	.10	25'
25'	.20	25'
25'	.30	25'
25'	.40	25'

$$20'/25 = .80 \times .09 = .0720$$

+ .10

+ .20

+ .30

+ .40

df 1.0720

$$112 \times \$50 \times 1.0720 =$$

6,003.20 or

120' 6,003

112'

Street



What is the Depth Factor for a 120' deep lot?

What is the Value of the subject lot if it is 112 feet wide?

4/26/2021

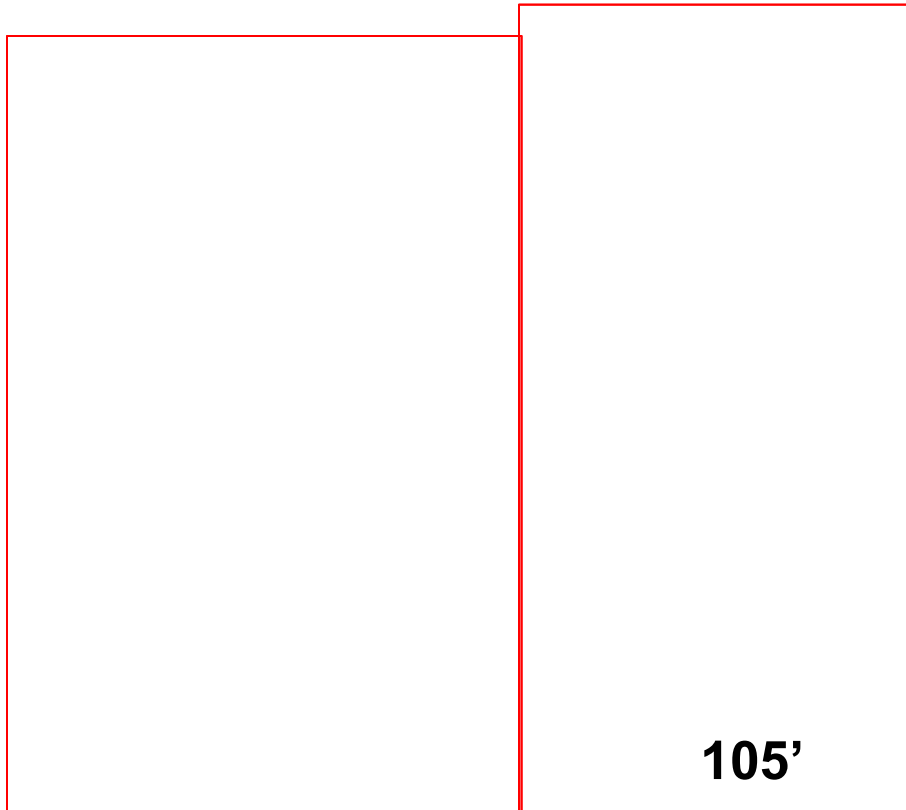
A GREAT STATE TO SERVE



Georgia Department of Revenue

Standard Depth 200' FF \$ = \$95

$\frac{200'}{4}$



205'

105'

Street



What is the Depth Factor for a 205' deep lot?

What is the Value of the subject lot if it is 105 feet wide?

4/26/2021

A GREAT STATE TO SERVE



Georgia Department of Revenue

Case Study 4-3-2-1

- Work problem on Page 213



Georgia Department of Revenue

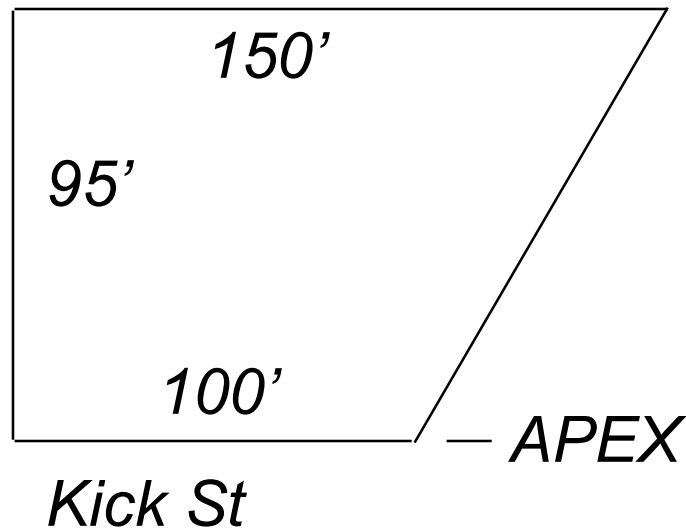
Solution to Case Study 4-3-2-1



Georgia Department of Revenue

Value lot using the 65-35 rule

Front foot price is \$65 standard depth 100'



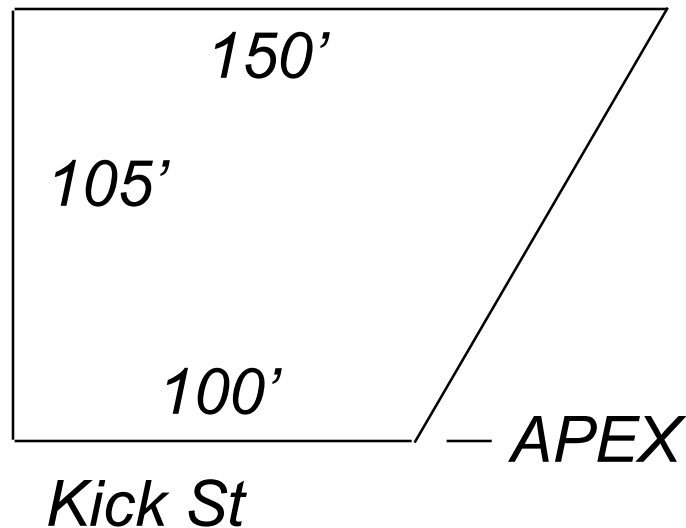
What is the Depth Factor for this Lot ?
What is the Value of the subject lot ?



Georgia Department of Revenue

Value lot using the 65-35 rule

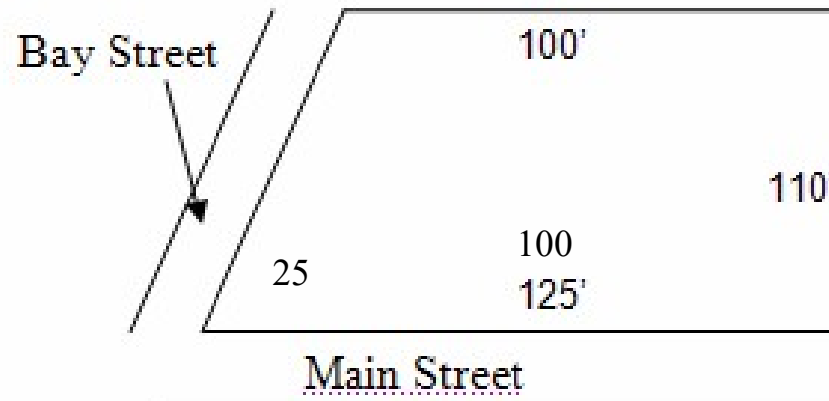
Front foot price is \$85 standard depth 120'



What is the Depth Factor for this Lot ?
What is the Value of the subject lot ?



Georgia Department of Revenue



**Use interpolation (4-3-2-1 rule) for a standard depth of 100'.
Front Foot Price is \$250 on Main street.
What is the value of the lot.**



Georgia Department of Revenue

Corner Influence

- Corner Influence -
- **CI=SPCL/SPIL**
- **CI=Sale price of corner lot divided by Sale price of Interior Lot**

$$\text{\$35,000 CL} / \text{\$30,000 IL} = 1.17$$

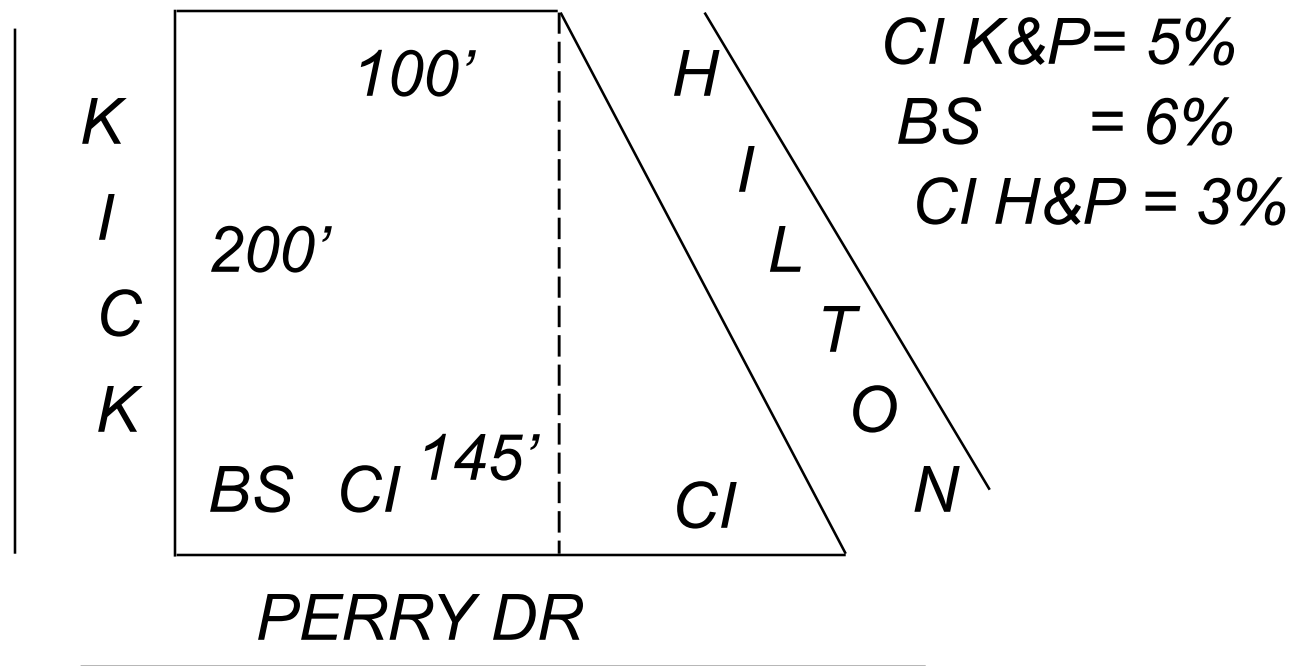
$$\text{\$350} / \text{\$300} = 1.17$$

$$\text{\$/ FF CL} \text{ divided by } \text{\$/ FF IL}$$



Georgia Department of Revenue

Value lot using the 65-35, Dfs, Infl.
Front Foot Price is \$50 on Perry Dr standard depth 200'

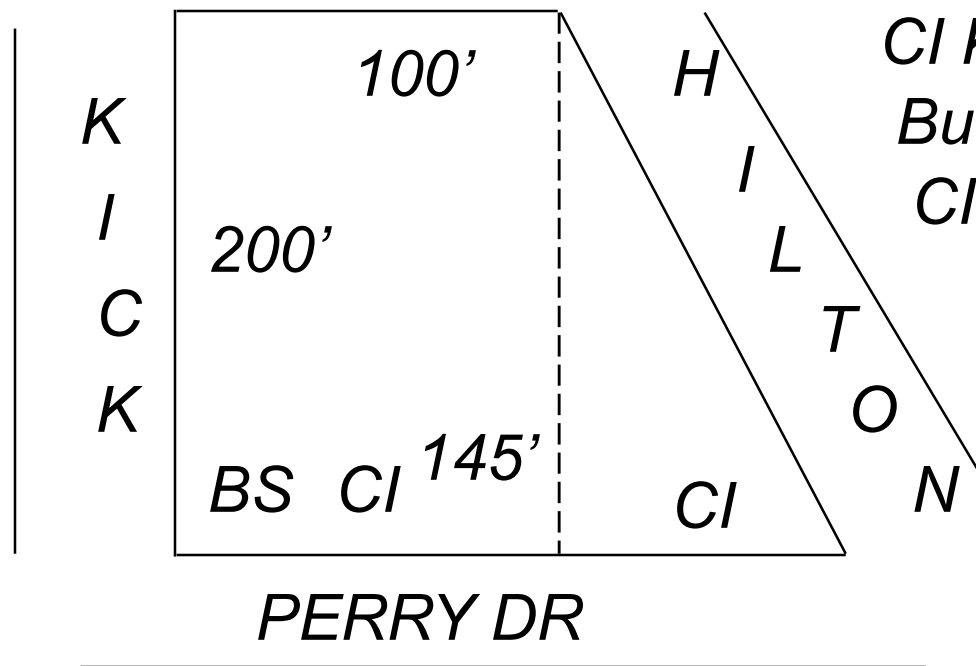




Georgia Department of Revenue

Value lot using the 65-35, Dfs, Infl.

Front Foot Price is \$50 on Perry Dr standard depth



CI K&P = 5%

Bus Stop = 6%

CI H&P = 3%

$$6463 \times 1.05 = 6786$$

$$6786 \times 1.06 = 7193$$

$$7193 \times 1.03 = \mathbf{\$7409}$$

land value after influences.

$$100 \times \$50 = \$5,000$$

$$45 \times \$50 = \$2,250 \times 65\% = \$1462.50 (\$1463)$$

$$(\$5000 + \$1463) = \mathbf{\$6463} \text{ value before influences.}$$



Georgia

4/26/2021

A GREAT STATE TO SERVE

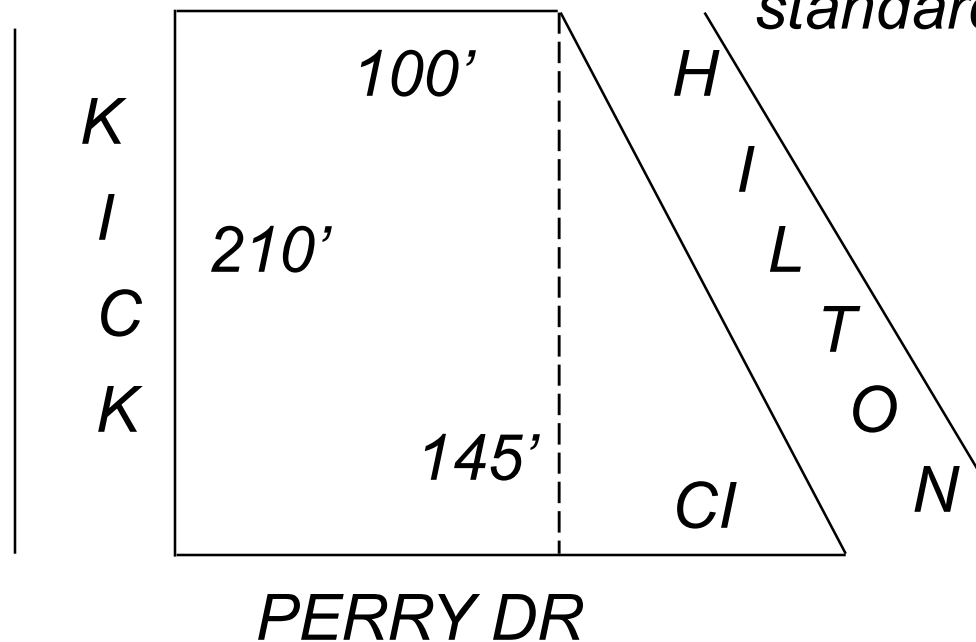


Georgia Department of Revenue

Value lot using the 65-35, Dfs, Infl.

Front Foot Price is \$50 on Perry dr

standard Depth 200'



4% increase for every 5 feet over standard depth.

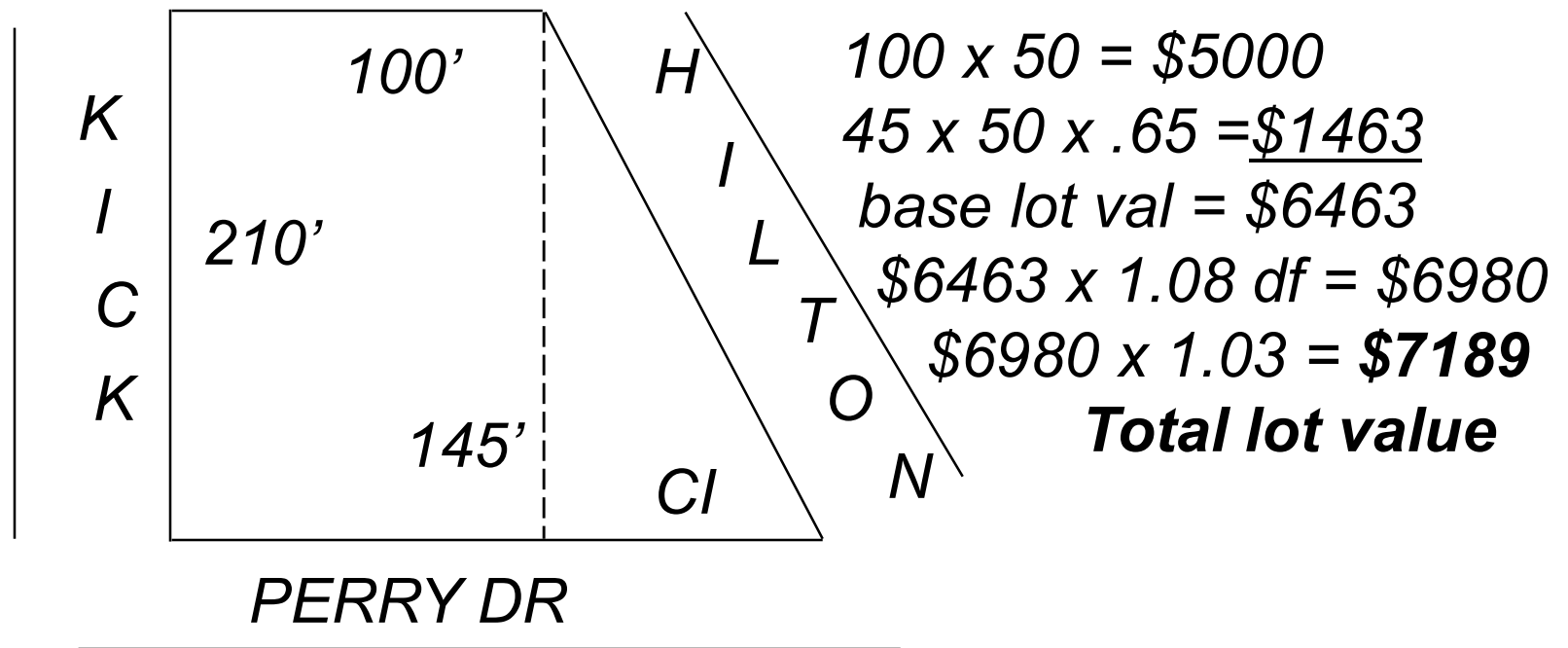
Corner Influence Hilton & Perry = 3%



Georgia Department of Revenue

Value lot using the 65-35, Dfs, Infl.

Front Foot Price is \$50 on Perry dr standard Depth 200 '



4% increase for every 5 feet over standard.

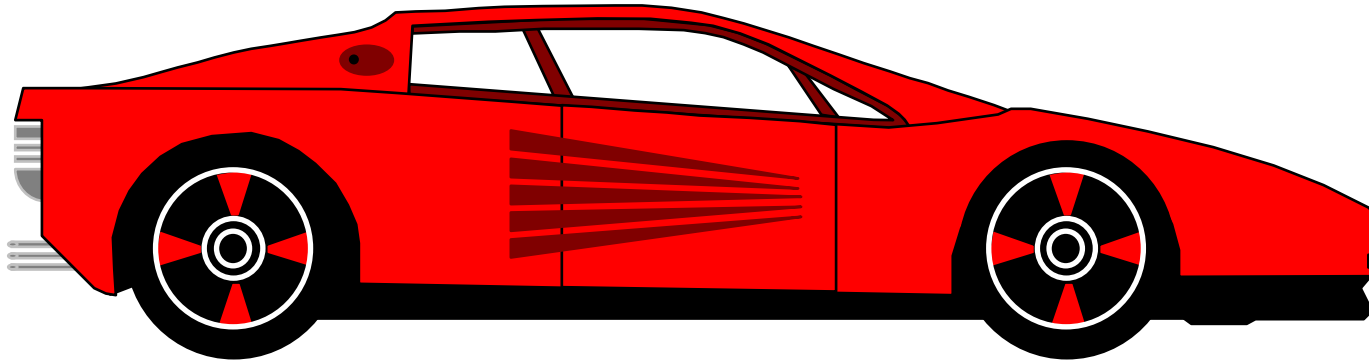
Corner Influence Hilton & Perry = 3%



Georgia Department of Revenue

Because all influences together are better than one by itself.

Why Compound Influences?





Georgia Department of Revenue

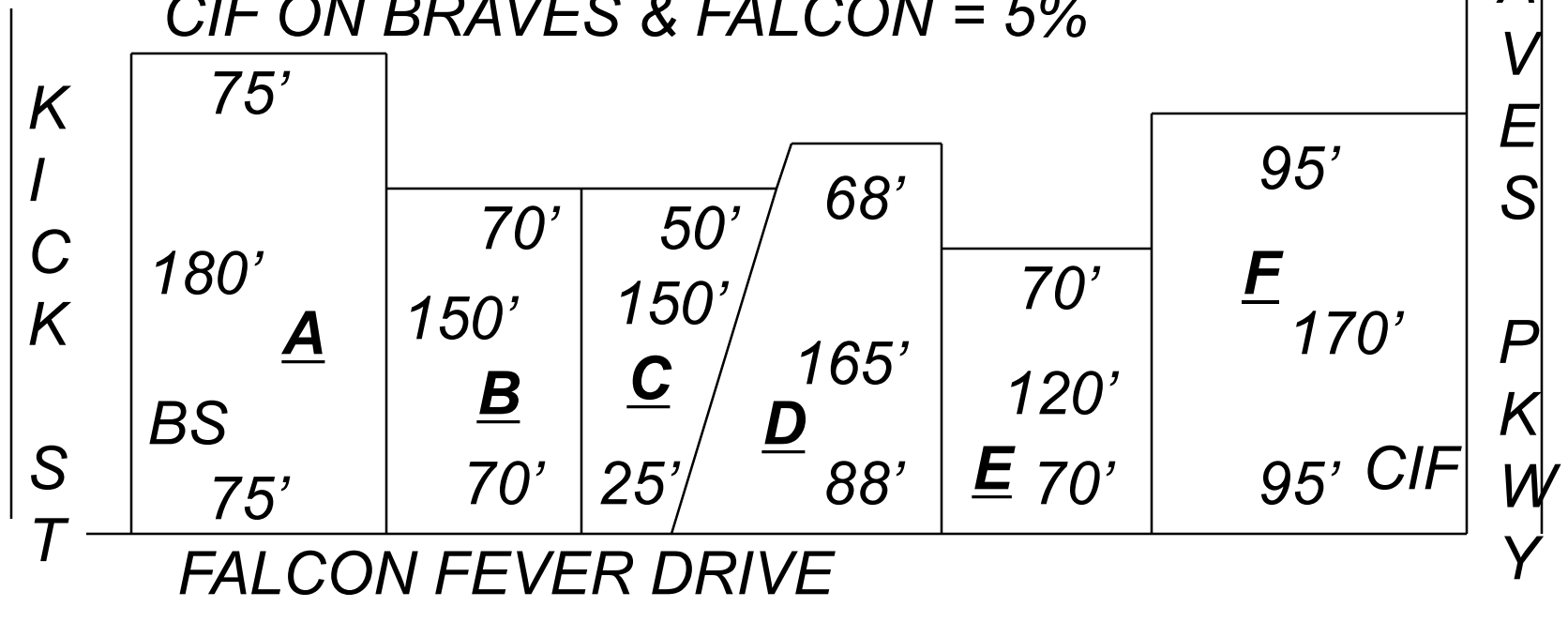
CALCULATE ALL LOTS AND SHOW ALL WORK

Standard Depth is 150'

Front Foot Price is \$90

BS = 10%

CIF ON BRAVES & FALCON = 5%





Georgia Department of Revenue

PLOTTAGE

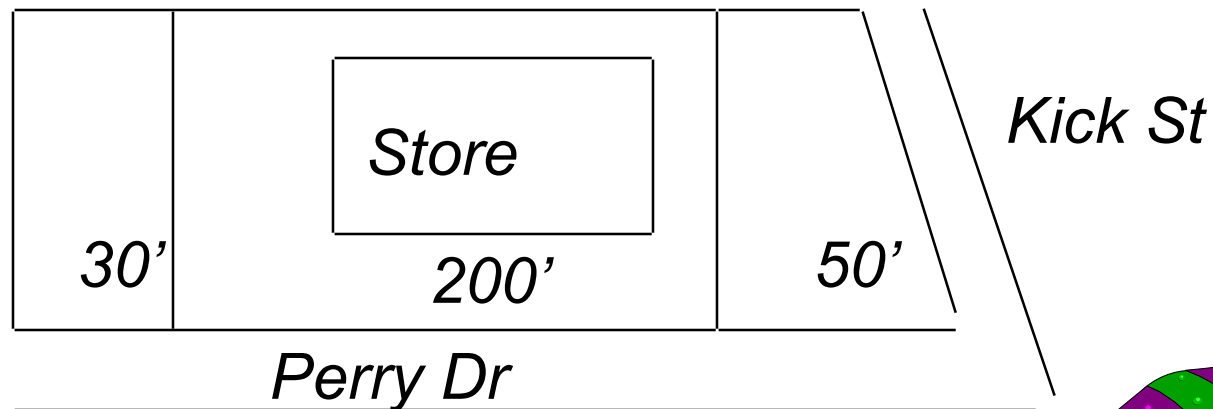
- **PLOTTAGE** is defined as the combining of property for greater utility and greater value.



Georgia Department of Revenue

PLOTTAGE

- PLOTTAGE** is defined as the combining of property for greater utility and greater value.





Georgia Department of Revenue

ASSEMBLAGE

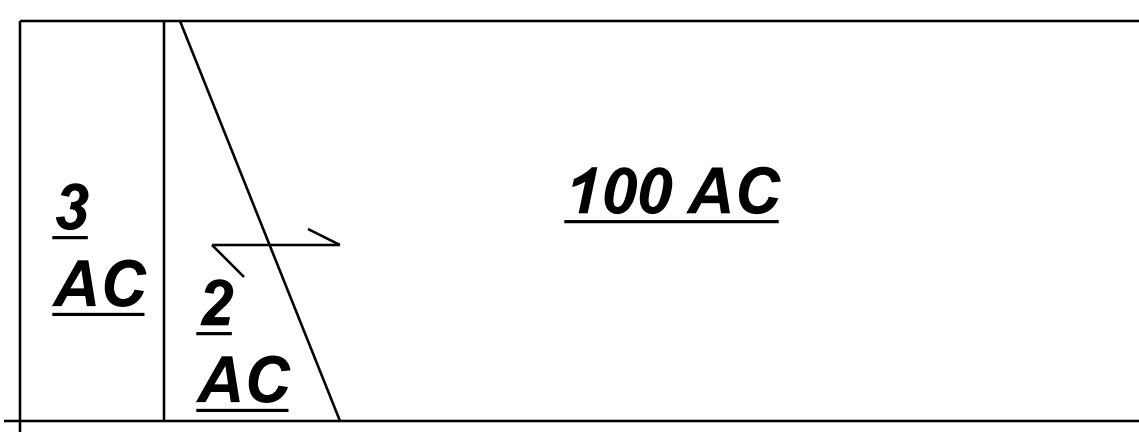
- **ASSEMBLAGE** - The merging of adjacent properties into one of common ownership or use.



Georgia Department of Revenue

ASSEMBLAGE

- **ASSEMBLAGE** - The merging of adjacent properties into one of common ownership or use.





Georgia Department of Revenue

NEGATIVE PLOTTAGE

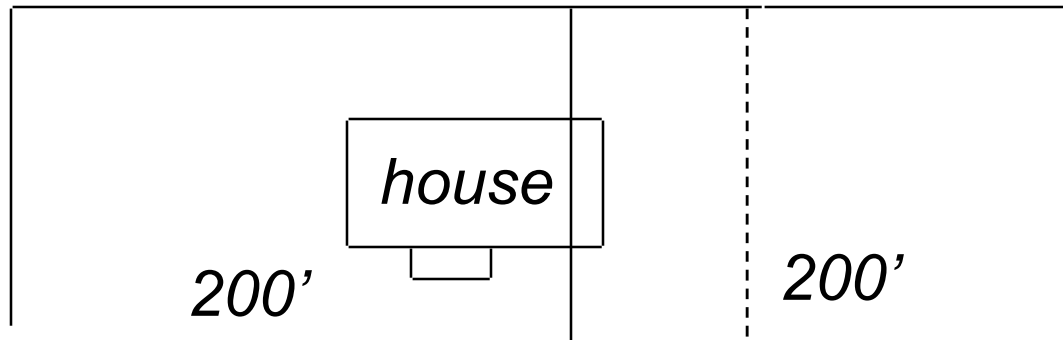
- **NEGATIVE PLOTTAGE** - the combining of property causing a site to have lesser utility.



Georgia Department of Revenue

NEGATIVE PLOTTAGE

- **NEGATIVE PLOTTAGE** - the combining of property causing a new site to have lesser utility.





Georgia Department of Revenue

- While analyzing a sales ratio study in an improved subdivision, the appraiser finds assessment/sales ratios to be at an unacceptable level.
- How should this be corrected? Which would not be acceptable below?
- Verify property record characteristics are correct?
- Verify lot values and method was updated?
- Ratio of Vacant Land
- Structure cost tables – how long since updated?
- Stratify the neighborhoods and see if this has some influence. Ratio by neighborhood. Is neighborhood factor correct or needed.
- Check condition and depreciation tables or maintenance or lack of to the structures.
- Style or occupancy of house. Run ratio on style houses.
- Check sales reason codes and run ratios based on true arm's length vs Bank or foreclosure resales. May use allocation of ratio of each to derive a weighted average neighborhood factor.
- Change quality grade based on mathematical calculation of being low.....add fake area to sq footage....override value to desired results.....override dep to account for difference in fmV.....add parts to the house such as sprinkler system, etc..
- Only change grade if rampant sales chasing had been performed in the past or an error of manifest....



Georgia Department of Revenue

- Attention Instructors!
- Please present the following 5 slides on the last day of class.
- Emphasize that students should wait 2 weeks before contacting the coordinators for grades or access to portal.
- Doing otherwise only slows the process for everyone.



Georgia Department of Revenue

Notification of grades

- Please allow 14 days from the last day of the class to receive your grades.
- If after 14 days you have not received your grade please contact:
 - Kim Oliver 404-724-7044 or kim.oliver@dor.ga.gov
 - Vera Brown 404-724-7048 or vera.brown@dor.ga.gov



Georgia Department of Revenue

Notification of grades

- New students will receive two email from Georgia Department of Revenue Portal. The first provides access to the GCP portal and the second provides a password to the portal. Remember to check your junk or trash folder.
- Please do not call and ask for portal access. You will gain access through the email you receive.



Georgia Department of Revenue

Notification of grades

- Students who have activated their accounts will receive notification by email that grades are posted.
- If you do not want access to the portal, do not put your email address on the credit form.



Georgia Department of Revenue

GREAB Continuing Education Credit

- If applicable, please enter your GREAB Appraiser/Salesperson # on your registration form. Or,
- If you don't have your Appraiser/Salesperson # please contact Kim Oliver within 14 days of the end of this class.
- [404-724-7044](tel:404-724-7044) or kim.oliver@dor.ga.gov



Georgia Department of Revenue

GREAB Continuing Education Credit

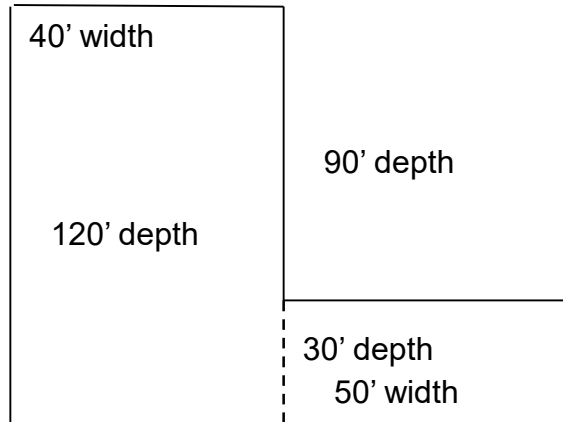
- Please allow 14 days from the last day of class to have your Continuing Education Hours posted on the GREAB Website.
- If you have requested GREAB credit and it has not been posted, please contact Kim Oliver.
 - 404-724-7044 or kim.oliver@dor.ga.gov



Georgia Department of Revenue

Valuing Odd Shaped Lots - 100' Standard

Street Frontage \$50 front foot



Lot 5

$$15 / 25 = .60 \times .10 = .06 + .20 + .30 + .40 = .960 \text{ Depth Factor @ } 90'$$

$$20 / 25 = .80 \times .09 = .072 + .10 + .20 + .30 + .40 = 1.072 \text{ Total Depth Factor}$$

$$1.072 - .960 = .1120 \text{ Depth Factor for Rear Lot}$$

$$40' \times \$50 = \$2000 \times 1.072 = \$2144$$

$$50' \times \$50 = \$2500 \times .1120 = \$280$$

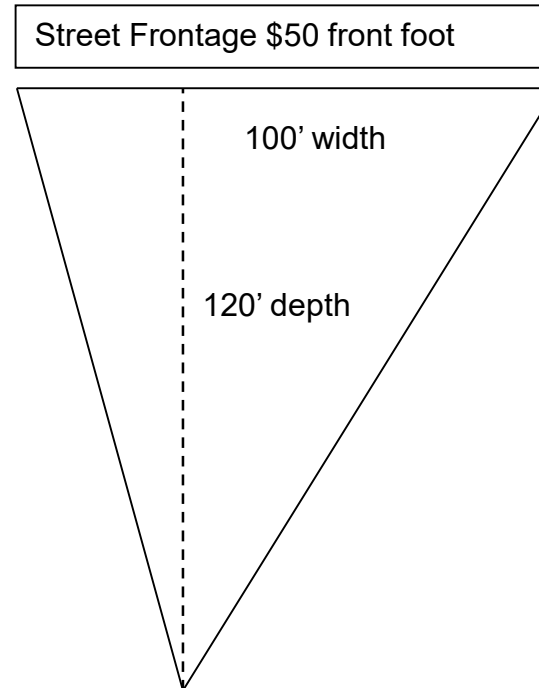
$$\text{Total Value} = \$2424$$





Georgia Department of Revenue

Valuing Odd Shaped Lots – 100' Standard



Lot 6

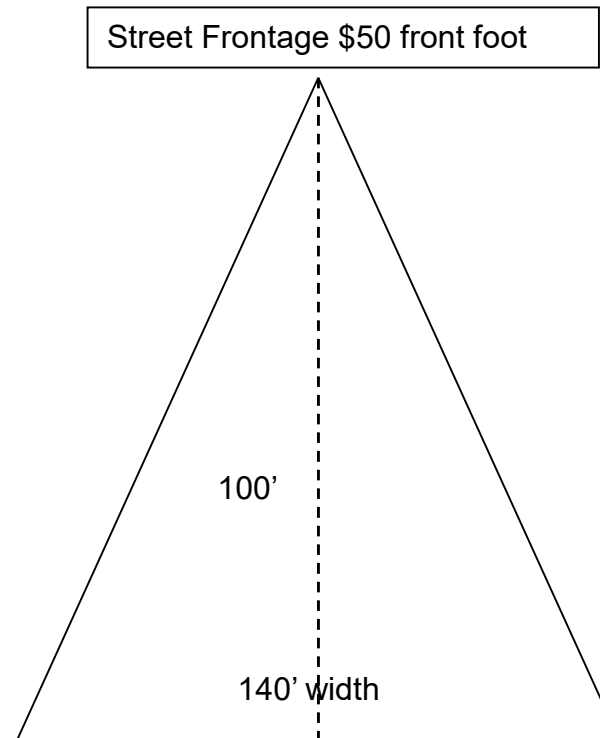
$20 / 25 = .80 \times .09 = .072 + .10 + .20 + .30 + .40 = 1.072$ Total Depth Factor

$65\% \text{ of } 100' = 65' \times \$50 = \$3250 \times 1.072 = \3484



Georgia Department of Revenue

Valuing Odd Shaped Lots – 100' Standard



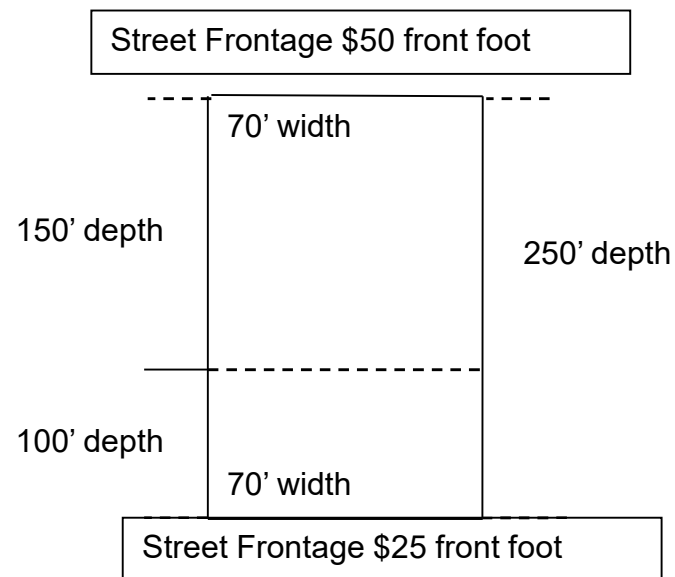
Lot 7

$$35\% \text{ of } 140' = 49' \times \$50 = \$2450 \times 1.00 = \$2450.$$



Georgia Department of Revenue

Valuing Odd Shaped Lots – 100' Standard



Lot 9

$$.08 + .09 + .10 + .20 + .30 + .40 = 1.17 \text{ Depth Factor @ } 150'$$

$$70' \times \$50 = \$3500 \times 1.17 = \$4095$$

$$70' \times \$25 = \$1750 \times 1.00 = \$1750$$

$$\$4095 + \$1750 = \$5845$$